FAR EASTERN

ECONOMIC REVIEW

CHRISTMAS SUPPLEMENT

Vol. XIX Hongkong, December 22, 1955. No. 25

CONTENTS

Internal Communications and Land Use in Hongkong and New Territories 5
The Value of Weathering Products in Hongkong 8
Cheung Chau 10
The First City Hall in Hongkong 15
The Cotton Textile Industry of Hongkong 17
Population Problems in Asia 18
Adjustments of Chinese Minority in the Philippines 20
An Atomic Review 22
Prospects of Hongkong-Malaya Trade 23
Economic Review of Malaya and British Borneo .. 25
Hongkong's Own Airline: C.P.A. 29
Hongkong's Trade for November 34
Hongkong Notes and Reports 39
Hongkong Industrial Developments 42

Internal Communications and Land Use in Hongkong and the New Territories

By T. R. Tregear

(B.Sc. (Econ.), Ph.D. (London), Lecturer, Department of Geography and Geology, University of Hongkong)

During the past year Hongkong's population has been analysed and discussed constantly in the columns of the *Far Eastern Economic Review.* Ways and means of dealing with problems of over population and unemployment are continuously under review. There has been some emigration of refugees to Brazil or Borneo. The development and expansion of industry within the Colony has gone on apace and has done much to mitigate unemployment during the last few years. Insufficient attention has been paid to the part which the opening and settling of new land in the New Territories might play in alleviating population pressure. However, the opening of new land is intimately connected with—indeed dependent upon—communications and transport facilities. If new land is to be broken and families settled then there must first be adequate means of getting produce to markets and of intercourse with other people. Few families will live in isolation.

If this is true then some review of present transport facilities and their possible development is not out of place.

PRESENT LINES OF COMMUNICATION AND THEIR FUNCTIONS:

(a) WATER: The insular nature of the Colony, its very rugged, highly indented coastline and its numerous islands have combined to ensure that water transport plays a very important part in the economy of the people. Not only is there an enormous movement of goods by junk and sampan within the harbour limits but water communication by small craft is the main means of intercourse round the south and west coasts. Some parts of the east coast, on account of steep cliff shores and exposure to the prevailing east winds are less useful. It is interesting to note that all shipping havens in the Colony, no matter on what coast, are so situated as to be sheltered from these east winds.

Ferry services for passenger transport within the harbour are excellent. Four services ply between Hongkong and Kowloon. An efficient but inadequate vehicular ferry transports motor vehicles between Hongkong and Yaumati.

There are several services plying outside harbour limits; e.g. to Cheung Chau, via Ping Chau and Silver Mine Bay, to Aberdeen and to Tai O via Castle Peak and Tung Chung. This year a new service has been inaugurated along Tolo Channel from Tai Po to Long Harbour and Grass Island calling at several villages en route, thus opening up the south side of the Channel. All these are primarily for passengers but nevertheless a fair amount of produce is carried. Much will depend on the expansion of these services if new territories are to be opened up.

(b) RAILWAYS: In 1906 work was commenced on the construction of the Kowloon-Canton Railway by a private company. By 1915 it was completed as far as Shum Chun and it was not till 1924 that the full distance of 112 miles to Tai Sha Tau, Canton was finished. It was built to serve as a link with China—particularly Canton and the West River—with the idea of enhancing Hongkong's already rapidly growing entrepot trade.

Sir John Jordan speaking at the British Empire Exhibition at Wembley expressed wider hopes for it in these terms: "It is on the extension of the railway in South and Central China that Hongkong may build many hopes. When the line from Canton is through to Hankow, Hongkong, in conjunction with Canton, will become the great outlet for the produce of all China south of the Yangtse".

That line linking Canton to Wuchang (Hankow) was completed but before any real assessment of its economic worth to Hongkong could be made, first the Sino-Japanese war, then the postwar struggle between the Kuomintang and the Communists and finally the embargo following the outbreak of the Korean war have combined to bring trade with the Mainland virtually to a standstill. Thus, for the time being, the usefulness of the line is lost.

However it continues to serve some local needs. Shatin, Taipo and even Sheung Shui have developed considerably as residential suburban areas and there is an appreciable daily movement of commuters.

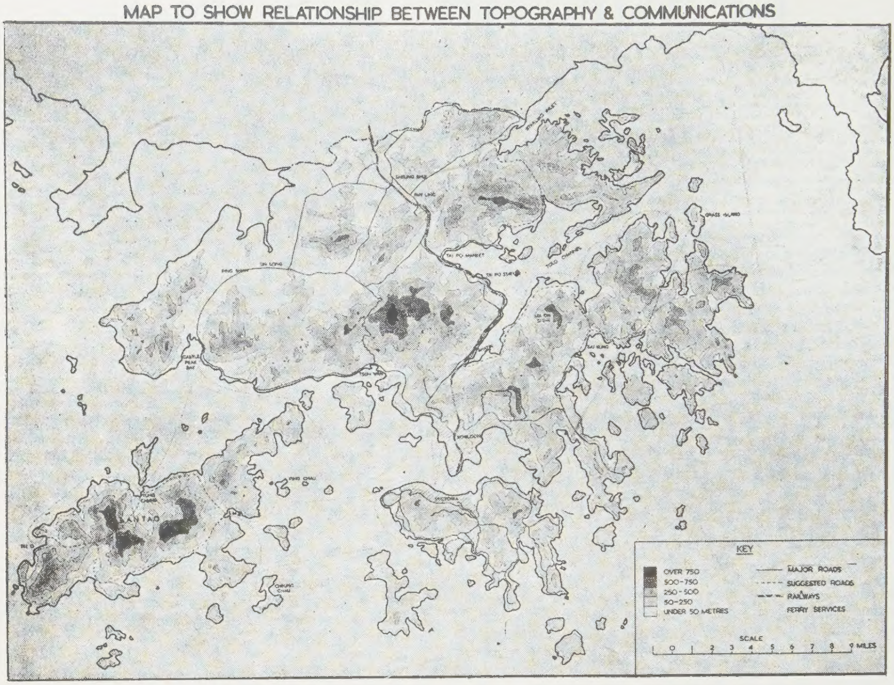
The railway, too, is used by holiday makers and excursionists, especially on the days of big Chinese festivals.

(c) ROADS: The pattern of roads, from earliest times, has been largely determined by the topography. Prehistoric settlements are found, almost invariably, on the coast at the mouth of some valley giving easier access inland and linking with others. Chinese paved "roads", too, followed the same lines of least resistance. So also have the modern macadamised roads for the most part.

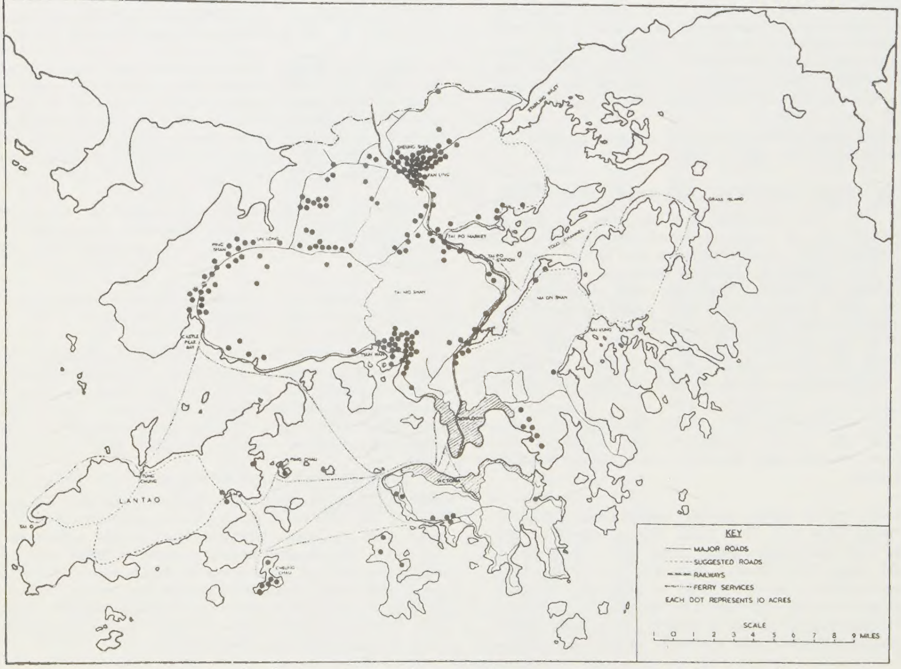
Before 1841 the island of Hongkong was virtually unoccupied but after that date population quickly grew and, with it, communications. In 1841 the only road was a short stretch of Queen's Road Central, which then was along the waterfront. Other roads were built as the city grew and expanded both up the hillsides and seawards with reclamation but no great progress outside city limits was made until the Island Road, eventually encircling the whole, was commenced in 1900 as a work to celebrate the Diamond Jubilee of Queen Victoria. This encircling road has been the basis on which the subsequent network of the island has been built.

Apart from the busy traffic between Aberdeen Cooperative Market and the City, the island roads are used mainly by residents, whose homes lie in the many attractive bays and who motor in to Victoria to work each day.

MAP TO SHOW RELATIONSHIP BETWEEN TOPOGRAPHY & COMMUNICATIONS



MAP TO SHOW RELATIONSHIP BETWEEN COMMUNICATIONS & VEGETABLE PRODUCTION



NOTE: (a) how closely the distribution of vegetable production is associated with the roads and ferry services.
(b) how empty of production are the eastern areas and Lantao where only the suggested roads are shown.

This is not the place for an historical treatment of road development in the Colony but an understanding of functions and importance of roads to development of land use is not possible without at least a passing reference.

In 1891, before the leasing of the New Territories (1898) it is recorded that there was nearly a mile of road in Kowloon. In 1900 the main road from Kowloon to Taipo was started and 13 miles of it were completed before the end of 1901. By 1913 this road had been extended to Fanling, the difficult coastal stretch via Tsun Wan to Castle Peak had been accomplished and the full 57 mile circuit through Un Long to Fanling finished.

The building of this circular road has had very deep bearing on the land use of the New Territories. It has brought Hongkong and Kowloon markets within reach of the farmers and in doing so has effected big changes in the type of farming practised. For example, now having the transport facilities the farmer has turned his attention more and more to vegetable farming, so that local needs are now fairly well met. Market gardening can only flourish when supported by good communication. Witness the growth in production from 21,355 tons (1946) to 52,308 tons (1954). The accompanying map, which shows the disposition of vegetable farming also demonstrates how closely it is dependent on transport and how closely it hugs the circular road, along which the Marketing Board's fleet of lorries makes its daily collection. Road building has had marked social effect. Bus services have brought city amenities and attractions within reach of the peasant, which are profoundly affecting customs and fashions especially among the younger generation.

The rough track which winds its way up to the top of Tai Mo Shan was constructed by the Japanese during the Occupation for military purposes, as also was that to Sai Kung. In 1953 there were 430 miles of road of which 181 were in Hongkong, 111 in Kowloon and 138 in the New Territories. Nearly all were either concrete or tarred macadam.

Recent, postwar road development has been the construction of the two roads linking Kam Tin and Sek Kong with Fanling and Sheung Shui via the Ta Shek Wo Gap on the one hand and with Taipo via the Tai Mo Shan Gap on the other, thus forming the basis of a network in the northern part of the New Territories. Most recent is the magnificent military road, known as Twisk, running over the Tai Mo Shan range with a fine disregard of the topography and reducing the distance to the Sek Kong Camp to less than half.

(d) FUTURE DEVELOPMENT: There are three regions of the New Territories, which, because of their remoteness from existing communications, rather than any inherent deficiency, are little developed. They are Lantau Island; the area lying east of Pyramid Hill and Ma On Shan; and the area lying between Tolo Harbour and Starling Inlet. All three have large areas amenable to development. Given accessibility of market and some assistance in initial water conservancy, it is safe to predict that there would be considerable and rapid settlement in these regions.

A start was made last summer in opening up the region east of Ma On Shan by the inauguration of a daily ferry service plying between Taipo and Grass Island and Long Harbour. This service is being continued throughout the winter and should lead to new settlement. Further encouragement will be given by extending the road from Sai Kung to Tai Wan, through the gap to Ki Ling Ha and along the coast to Shatin. Further road building would be necessary to open the land to the east of this, especially as the prevailing east wind and the cliff coast combine to make water transport here both difficult and dangerous.

The land to the north of Tolo Harbour is in process of being opened up as the coast road from Taipo Market is being pushed eastward to Shun Wan.

Lantau is virtually an empty island. There are two fairly large areas of arable development at Silver Mine Bay and Tung Chung Wan and several other smaller patches but these form only a very small proportion of the island's vastness. The projected road from Silver Mine to Shek Pik would open the southern coast to development while that from Silver Mine, northward over the Colony at Tai Ho and via Pak Mong to Tung Chung Wan would do a like service for the north coast. Later this road would need to be extended up the valley to Ngong Ping and then down to Tai O.

Water supply is no less a pressing rural need than urban. To be effective the road building in all these regions would have to be accompanied by public assistance in water conservancy, generally in the form of storage dams. In fact water supply and communications would appear to be more important factors than even soil fertility. Given the two former, some heart seems to be put into the most unlikely soils in a few years.

The claim to priority of this kind of rural development with its hope of alleviation of urban population pressure needs to be weighed carefully against the many other schemes, which are exercising the public mind in Hongkong today.

The Value of Weathering Products in Hongkong

By B. P. Ruxton, M.A., F.G.S.
(University of Hongkong)

To some the disintegrated and decomposed rocks on the earth's surface are merely dirt or rubbish that adheres to our shoes on rainy days, and blows up as dust on sunny days, but which forms a necessary surface on which we needs must carry out our perambulations. To others, the top veneer of the earth's surface—the soil—provides, or can be made to provide, abundant nutrients for crops or trees that they desire to grow.

To those who live in the temperate or cool climates, the mantle of weathering products (the regolith) is mainly of importance to the farmer and the soil scientist, it is thin and so is easily removed, relatively easily understood, and with equal facility forgotten. To the inhabitants of the tropics and sub-tropics, however, the regolith may provide sources of water, construction materials, clay, bauxite, and, of course, trouble! Here in Hongkong it is often thick, persistent and not easily destroyed or forgotten and so forms an ever present factor in our daily life, and as such it deserves not a little of our time and study.

Weathering:—Weathering is a general term used to name the processes of disintegration and decomposition that are responsible for the breakdown of hard, compact rocks into comminuted debris. In Hongkong this transition is mainly effected by the chemical processes of oxidation, hydration and carbonation in the combined presence of water, air and rock minerals. By themselves water and air are relatively inert, but when mixed together they form a powerful corrosive reagent.

Oxygen converts the ferrous iron into ferric iron and this changes the colour of the rock; water hydrates the primary silicate minerals and turns them into clay; carbon dioxide combines with the released alkali metal oxides to form carbonates which being soluble may then be leached out. Most of these changes take place with a concomitant increase in volume and the ensuing expansion disrupts the massive rock, causing it to crumble and disintegrate. It has been stated that "the transition of a granitic rock into arable soil, provided the same took place without loss of material must be attended by an increase in bulk amounting to 88 per cent."[1]

About one third of this Colony is made up of granite and this rock forms the foundation of the most thickly populated areas, Kowloon and Victoria, and so the effect of weathering upon it are most important. Writing of the granite in Hongkong in the Journal of the Geological Society of Dublin in 1862, T. W. Kingsmill stated: "This granite, wherever it occurs, has been deeply dsintegrated, sometimes to a depth of one or two hundred feet; whilst everywhere, imbedded in the soft yielding matrix, there occur nodules of more quartzose character, which have resisted the effects of time and chemical change. These masses are usually of a lozenge shape, and vary in size from a few feet to several hundred. The original quartz veins of the granite, broken into small fragments by the forces which have operated on the surrounding rock, still traverse the disintegrated mass in all directions; whilst around the enclosed nodules the concentric structure of the rock can generally be traced. In the higher grounds the soft yielding matrix has generally been removed by denudation, leaving these pseudo-boulders perched all over the granitic hills, presenting an aspect, to a passing eye, not unlike the boulder formations of more northern latitudes. I have been particular in describing the character of these, as they produce a marked feature in the scenery of the granite districts, and have led to erroneous ideas on the southern limit of the glacial drift, which, in Professor Ansted's "Elementary Treatise", is described as reaching as far as Macao.

This same disintegrated rock, too hard for the roots of plants to penetrate, and yet yielding enough to allow its surface to be continually washed away by the heavy rains of summer, causes the coast of South China to present a peculiarly barren and uninviting aspect, sadly belying the fertility of the great plains of the interior. Long lines of bare white sand, with scanty herbage between, stretch down from the mountain summits to the water's edge; these masses of sand are intersected in all directions by deep narrow ravines, worn by the tropical rains, which wash down their sides frequently with sufficient force to bear down large masses of rock, and which render walking through these districts unpleasant and dangerous."

The weathering mantle on the granite is a clayey sand which is often permeable and, in many places, only supports a scant vegetation cover and is thus referred to as "badland" on our land utilization map. Indeed one might think that this thick residual cover was nothing but a curse of nature, useless for agricultural purposes, unsightly on our landscape, dangerous to walk through and the cause of numerous landslips. Fortunately it does possess some advantages which merit our attention.

Sources of Water Supply: It has been stated that in Hongkong there are. . . ."large areas of granite and similar igneous rocks, which are highly impervious to underground water, and therfore do not permit natural underground storage of water."* It is true that igneous rocks do not often have large supplies of underground water but, owing to the many cracks, fissures and joints in them they do hold a small supply, often large enough for a small town. Thus the issuance of springs from the Peak provided sufficient water for parts of the island up to 1891. The Peak is composed of volcanic rocks (igneous) and these, though practically non-porous, are nevertheless pervious owing to the innumerable cracks and fissures they contain and, in many parts of Hongkong Island where volcanic rocks are exposed, one can observe numerous small springs emerging from these rocks throughout the year.

More important from our point of view is the fact that before 1910, Kowloon derived nearly all its water supply from three wells near Yaumati, which gave some 300,000 gallons of water a day. Kowloon is situated on granite rocks and the Kowloon Hills are very deeply weathered to depths greater than 200 feet, hence the thick mantle of porous silty sand on them provides an excellent storehouse for underground water, and it is from this source that the wells at Yaumati derived their water.

Although the major water supply is now obtained from numerous reservoirs there are many outlying areas of the Colony where a reliable local source of water supply is a necessity. Apart from the perennial streams or springs, the best source of water is obtained by digging a well, in a favourable position, and tapping the underground water.

Apart from water divining methods which usually give very erratic results, the only logical method of locating a well is to consider the topography and geology of the site. Normally one selects the flatter ground on the lower slopes of the hills or in natural depressions, valleys, etc., and if advice is to hand, a favourable disposition of the rocks beneath the surface. However, there is a third factor: the nature and thickness of the weathering mantle, which may, in many cases, be the most important. If the ground is mantled with a thick layer of clay little percolation can occur and hence little water can be expected near the surface. If there is a thick layer of silty sand abundant water may percolate into the ground and this will migrate down and along until it is arrested by a natural barrier. The problem then is to find a permeable weathering mantle surrounded, or bordered, by an impermeable deposit. Since we can study the weathering profiles on and near the surface relatively easily by visual inspection in stream cuts, excavations, by handauger, etc., the location of suitable conditions is not very difficult or expensive. Again, the sinking of a well in soft weathered debris is a much cheaper procedure than sinking one in solid rock.

No comprehensive survey of ground water location and supply in weathering mantles has ever been carried out, but its importance in the economy of a rural district can be shown by citing an example from India. The thick laterite deposits, which form the mantle on the Deccan plateau and represent the weathering products of the basalt lavas, provide a tremendous quantity of water to innumerable wells scattered over the area, and play a vital role in the fertility of this terrain.

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[1] Uglow, W. L. Geology and Mineral Resources of the Colony of Hongkong. Hongkong Government Sessional Paper, 1926.

*Merrill, G.P. 1906. Rocks-weathering and Soils.

We can conclude that the weathering mantle provides a very important storehouse of underground water, suitable for supplying small rural settlements and, in some cases, small towns.

Sources of Raw Material: At Castle Peak over 100,000 bricks are produced daily, as well as tiles, pipes and ornamental ceramic ware. The raw material from which all these products are made is clay which is a direct weathering product of the volcanic rocks in the valley below Castle Peak. In 1926, Uglow stated: "The brick industry of the Colony is founded on the shale members of the Tolo Channel formation and argillaceous portions of the Repulse Bay volcanics, and uses as its raw material the soft clayey materials that have resulted from the decomposition in place of these rocks."

West of San Hui, in the Castle Peak valley, a folded series of acid volcanos — lavas, welded tuffs, agglomerates and tuffs — had been weathered to moderate depths (more than 60 feet). The softer bands of rock are often completely decomposed, and the interbedded harder bands show cores of fresh rock surrounded by clay. This clay mantle is a characteristic feature of the hills in the southern half of the Castle Peak valley and there appears to be an immense reserve of good clay available. In between the hills some stratified beds of clay, 15 feet thick, can be seen, these are also being exploited. The clay extracted is also used directly for the manufacture of ordinary bricks, the washed clay being used to make hollow bricks which are excellent for insulating, sound and fire proofing purposes.

The volcanic rocks in the Castle Peak valley are fine-grained and so, when decomposition and disintegration occur, the products are silt and clay with very minor quantities of sand. Being a weathering residue there is no contamination of the clays by harmful materials such as organic matter, calcium carbonate or pyrites. These factors become even more important in the manufacture of ceramics, where a high quality clay is an essential. From a brief knowledge of the weathering mantle in the Colony it is clear that many other areas have a covering of good clay which could be used for the manufacture of bricks and ceramic ware. Castle Peak valley is, however, an ideal location for these industries because abundant water can be obtained from wells sunk only a short distance beneath the surface. It is interesting to note that there is sufficient silt in much of the clays to render them permeable and so it is possible to obtain a reasonable quantity of groundwater from them.

Use in Engineering Projects: The fact that the weathering residues on the granite form a typical sand-clay makes this material suitable for use as a stabilized base-course material.

Shortly after the war investigations were carried out on the possibilities of building a new airfield in the Ping Shan area[1]. The engineering experts, after carrying out careful tests, were able to state that much of the weathering residues on the nearby granite hills could be used for the base-course of the proposed airfield and, in fact, for any stabilization work. There is however a red clayey sand, familiar to us all forming the top coat of certain areas of the Colony, which, being clayey, could only be used in lower base-courses, but if this is mixed with sand (i.e. beach sand, granite fines, etc.) it too can be used extensively in stabilization work.

Although the airfield is not now being constructed at Ping Shan the valuable information has been, and will continue to be, of great use to engineers if only because we have an abundance of this material in the Colony.

Whenever it is decided to remove a hill to prepare for a building site, the debris is, in most cases, used for land reclamation and the residual boulders broken up for use in construction, thus every particle of it is utilized.

As our knowledge of the nature and occurrence of these deep weathering profiles increases so also will the economic value of these products. Just as every cloud is said to have a silver lining so the thick mantle of weathering debris may be much more of an asset than we realize at the moment.

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[1] Henry, J. K. M. & Grace, H. 1948. The Investigation of Decomposed Granite in Hongkong for use as a stabilized base-course material. Proc. 2nd Int. Conf. Soil Mech., Found, Eng. Rotterdam.

Cheung Chau

By L. Berry and C. L. So

(Department of Geography and Geology, University of Hongkong)

From the incoming ferry Cheung Chau presents a truly composite aspect: the harbour full of junks and sampans appearing much as they have for many centuries; ashore the buildings tall and narrow presenting an almost Elizabethan aspect, while the modern villas in the background and the coca-cola signs bring us rapidly back to the present. This first impression does illustrate the way in which the old and new ways of life have been combined in this outlying island, and this article attempts to explain in outline the development and growth of Cheung Chau.

Archaeological remains found on some of the Cheung Chau beaches show that man has visited the island and probably has used it as a fishing base for over 2,500 years. However Hoklo fishermen some 400-500 years ago set up the first definite modern settlement on the central isthmus and about the same time other groups could be found in some of the southern bays. Three main groups of people added to this early settlement: one large group from Eastern Kwangtung (including some Hakka and Tanka peoples); others from South Kwangtung, and a small immigration from the Colony area. The Hoklo and Tanka fishermen mainly lived around the southern bays, while some of the Hakka developed small scale agriculture in the valleys, but the main centre grew up around the western shores of the central isthmus. The growth of population has continued and it is now estimated that 27,000 (village elders' estimate) now live in the harbour and on the island, and it seems that this popularity is due basically to a favourable local site, and in recent times to a series of human and economic factors.

Cheung Chau (Long Island) about 8 miles southwest of Hongkong Island is really two islands joined by a long sand and gravel isthmus giving a very long coastline (about 10 miles) in relation to its area of 0.96 square miles. Thus we find that whether we are dealing with the life of the people or the shape and relief of the island marine influences are dominant. The two islands are mainly granitic but the granite is cut by quartz porphyry and relatively weak dolerite dykes. The harder dykes stand out on the headlands resisting the attack of the sea and giving the island the characteristic WSW-ENE trend while in the more easily eroded granite areas bays are hollowed out forming a highly indented coast. (Figure 1)

Formerly the two islands were separated by a shallow bay and later long-shore drift of sand and gravel built out spits which eventually linked. Once formed this barrier would be built higher by large storms sweeping material over the crest. However at the present time the sand bank is out of reach of this action: being 150 metres wide, 600 metres long and rising well above high water mark; this being accounted for by the slight relative drop in sea-level in recent geological times (there is also a five metre O.D. raised beach in north Cheung Chau). Our setting is thus complete: the bar providing a protected western harbour and the drop in sea-level providing the site for the settlement. (Figure 1)

Life in the early days in Cheung Chau was entirely connected with the sea, though fisihng has always tended to be associated with the more lucrative piracy and smuggling. Again the position of Cheung Chau in relation to Hongkong harbour and its many protected bays have helped its success as a smuggling centre. A considerable battle in 1911 when five police constables were killed and a ferry boat capsized is still remembered by some of the local inhabitants. Difficulties were encountered in gaining information on the present state of this "industry" and although it is meeting with Police and Revenue obstacles it would be perhaps premateure to announce its complete extinction.

The legitimate fishing industry has long been the mainstay of life in Cheung Chau and at the present its harbour may contain up to 900 junks mainly seiners and trawlers housing in all about 8,000 people while many of the shore population are connected in some way with fishing[1]. This represents a slight decline from that of the past, though no sign of this is seen in the Colony as a whole, and it may be attributed to the establishment of the fish wholesale market at Aberdeen which has tended to draw some fishermen away from Cheung Chau. The neighbourhood of the island with depths of 20-40 fathoms, form excellent fishing grounds for seiners and were probably the initial reason for the settlement, and the S.E. Kwangtung coast and the seas off Hainan Island are favoured by the liners and trawlers, the utilization of these distant waters having grown up with the importance of the centre. The change of government in China has made some of these grounds unpopular for the Cheung Chau fishermen, limiting the variety of local fishing produce. The main types of catch are garoupers, yellow croakers, pomfrets, mackeral-scads and herring depending upon the season, the non-fishing period being from April to August. This seasonal distribution together with the annual variation in quantity is responsible for fluctuation of prices which unsettle the fishermen's income. Even though there has been this decline from the peak reached during the Japanese occupation when the local wholesale market was encouraged: the importance of fishing to the community has been little modified. It still supports one sixth of the Colony's fishermen and provides the raw material for much of the islands' industry. So the prosperity of Cheung Chau depends to a great extent on fishing and the future prospects of this industry are important to its welfare.

The main barriers to rapid expansion are considerable especially when the unwise practices such as the dynamiting of fish are still prevalent. Mechanization is still slow in gaining a firm hold, partially due to lack of capital and partially to the inherent conservatism, traditionalism and sometimes ignorance of the fisherfolk. Short term loans without usury with a simple procedure would be of great help. Marketing also is in need of improvement, many fishermen still feeling far from happy about the auctioneering system at Aberdeen. Finally there is a great demand for a typhoon shelter which would tend to keep junks in the harbour during the summer months and so help to stabilize the community.

In the main village much of the life is connected with the fishing industry, many of the small stores in the main street cater for marine people selling rope, hooks, net, and the hundreds of accessories needed for fishing. Also at the extreme ends of the isthmus we find considerable shipyards which can provide any type of junk needed locally. This industry has to import most of its raw materials but the availability of the market, cheap skilled labour and accessible working space free from too close supervision makes this an important area supplying the larger junks to many parts of the Colony. The capital involved is considerable as a large junk without fittings costs $30,000-40,000. At the other end of the scale, needing little capital, rope making is carried on wherever there is an open space, being mainly developed by small local groups.

Having supplied most of the "tools" needed for the fishing community the village also works up those products which are not sold directly in the markets. The manufacture of shrimp paste, fish sauce and dried fish are only a few of the associated industries which the foreigner detects immediately on landing. These products find a small local market and are also exported to Hongkong.

In recent times a wide variety of other industries have been attracted to the island, mainly for economic reasons. Available here was a large cheap labour supply, cheap land and freedom from close supervision, and the local leather, paper and a recently introduced tea industry seem to be thriving although nearly all the raw materials have to be imported, and the finished goods shipped to Hongkong. The sunny south facing slopes to the north of the village are utilized in another branch of local economy, the drying and salting of fruit and vegetables, occupations in which extensive land space is needed and must therefore be cheap. In these diverse ways over 2,000 people are employed in organized industry, but the industrial population is considerably greater as domestic occupation involves an unknown number. The production of match boxes is carried on by all age groups though one has to be a hard working expert to earn $4 a day, but women and children are willing to work long hours to bring even a

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[1] An unpublished dissertation on Cheung Chau (Ref. 4) dealing mainly with fishing is housed in the Dept. of Geography & Geology, HKU, and may be consulted on application.

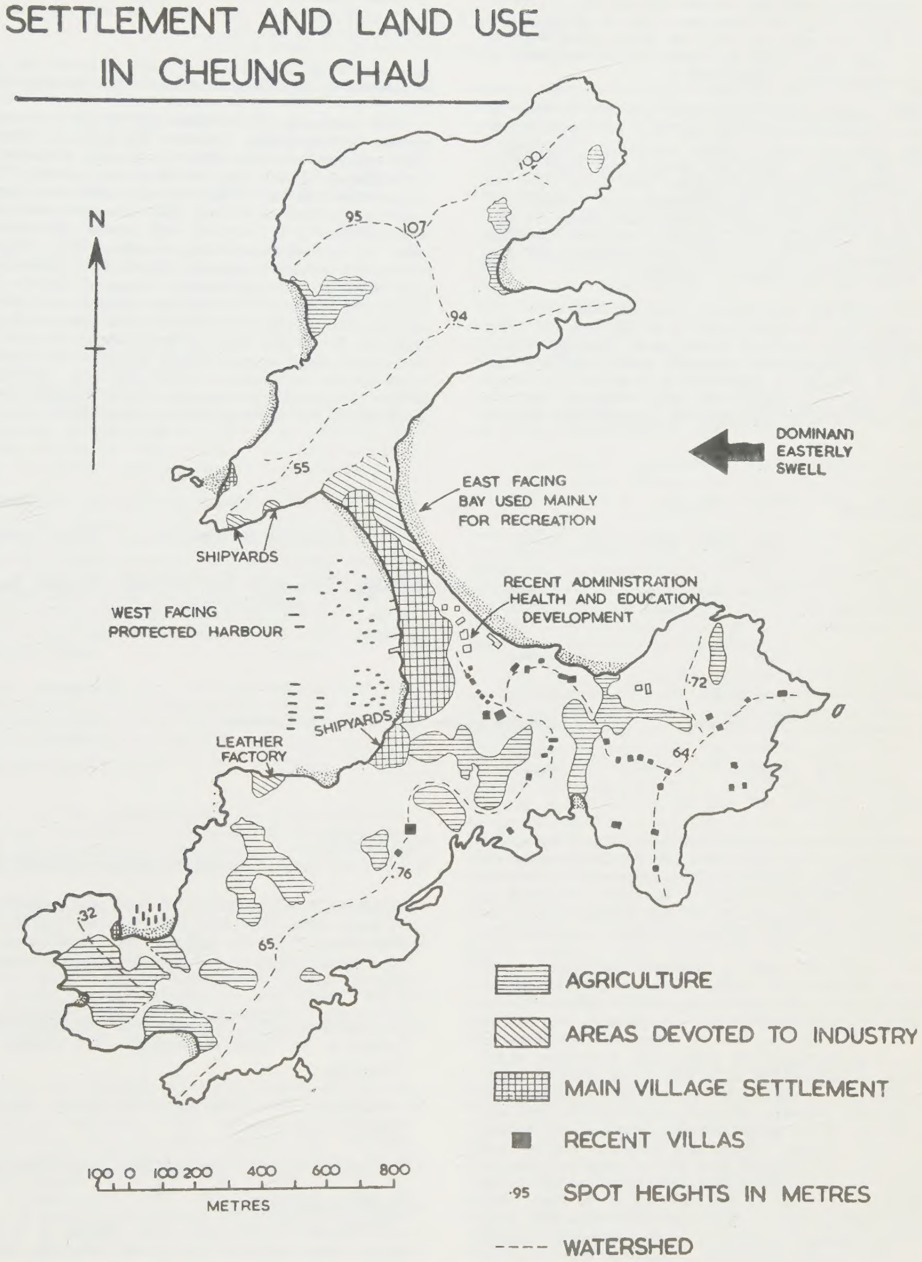
SETTLEMENT AND LAND USE IN CHEUNG CHAU
N
DOMINANT EASTERLY SWELL
EAST FACING BAY USED MAINLY FOR RECREATION
SHIPYARDS
WEST FACING PROTECTED HARBOUR
RECENT ADMINISTRATION HEALTH AND EDUCATION DEVELOPMENT
SHIPYARDS
LEATHER FACTORY
100
95
107
94
55
72
64
76
65
32
100 0 100 200 400 600 800
METRES
AGRICULTURE
AREAS DEVOTED TO INDUSTRY
MAIN VILLAGE SETTLEMENT
RECENT VILLAS
·95 SPOT HEIGHTS IN METRES
---- WATERSHED

FIG. I

small addition to the family income. Some rubber goods and handbags are also assembled in this way. Modern industrialization of Cheung Chau is thus mainly on a small scale, isolation and the lack of available facilities preventing any large scale enterprises. Most of the introduced industry is of the hand type and thus has limited possibilities of expansion in its present form, while the industry serving and based on fishing must of necessity link its fortune with it.

The Hakka peoples early turned their attention to ways of wringing a living from the land, and few but these hard working folk could have met with any success. Natural possibilities of agriculture are limited as the stream valleys are narrow and water supply intermittent. Nowhere is paddy developed and land where water can be obtained or carried is used for vegetable production. Generally the farms are minute and often on a poor financial basis, though the total crop varies between 5,000-7,000 piculs annually. Even this production is only made possible by the frequent ferry services which enable it to be marketed without loss of freshness in Hongkong.

The ferry services also bring another source of income into the island; the summer flow of visitors: partly to see the town and partly for bathing and picnics on the wide eastern beach. Although sections of the beach are sometimes polluted by squalid squatter settlement just above, this has not yet proved a great nuisance as numbers of visitors are not usually large. Competition with more developed places at Silver Mine Bay and on Hongkong Island will probably mean that the influx will remain limited. However the factor of cheap land, good Chinese fishermen, is at the present suffering from some adverse effects of outside influences, and the following table shows how the various facets of the economy have developed over the past two decades. (Modified from So Ref. 4).

Perhaps with the development of roads on Lantau this expansion will be curtailed by channelling of the flow onto the larger island.

The main town on the isthmus has the job of serving these varied interests, and its growth illustrates this function. The shape of the initial settlement was determined by the shape of the isthmus and also by traditional Chinese types of village construction. Thus the street pattern follows the run of the coast, with small cross streets and at the same time the tenants of Fung Shui have been observed. The main residential area is in the south end, around the central main street, while at the extremes industry becomes more important. Recent development includes the district using land on the east of the isthmus where there are schools, churches, a hospital and the Police Station. Similar land to the north is used by squatters and these include some poor fisherfolk who have built homes out of their derelict boats. Water supply has been a vital factor as the population expanded and only this year a piped supply from a reservoir in Lantau was installed. Previous to this wells on the isthmus provided some fresh water, and in times of drought importation was necessary. With the arrival of piped water one barrier to future development has been lifted.

Type of Occupation	Prewar	War	Postwar	Present
FISHING	Quite stable. Second place in H.K.	Zenith	Decrease in importance	Much fluctuation
FARMING	Low acreage	Increase in area but drop in yield	Increase in yield but drop in profit—low prices	Marginal few animals
INDUSTRY				
Shipyards	Some	Decline	Increase	Steady production
Fish Products	Small scale	Steady	Increase	Increase
Others	Few factories	Complete decline	Rapid increase	Increasing — reasonable prospect
TOURISM	Little	None	Increase	Rapid development

Cheung Chau while benefitting from the advantages of her natural site and position and from the accumulated skill and knowledge of the communications and the presence of easily prepared sites on the flat hilltops and ridges to the south (Figure 1) has led to the growth of weekend villas and cottages, mercifully limited to three storeys, but multiplying so rapidly that there is already the danger of overcrowding.

The outlook for the future is uncertain and bears closely on that of the Colony as a whole, though various factors are peculiar to Cheung Chau. As noted the prosperity is linked with that of the fisherfolk and mechanization is a preliminary step in this development. Also some freedom from the fishermen's dependence on current prices may be obtained by the further local development of fish product industries. Other industry is in need of an influx of capital and future changes may be towards greater organization and efficiency which should also lead to greater individual rewards, and the best hope of increased prosperity for the present population seems to be a planned expansion of village industry. Under most foreseeable circumstances the population is near the economic limit for the island and with the possibility of land tax in the island looming large one of the reasons for the continued attraction may be less compelling in the future. The surprising thing is that so many people should have "built their house on sand" and have managed to exist on a standard so near the margin in such a relatively limited environment, though in many cases not utilizing it in the most efficient way.

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ACKNOWLEDGEMENT:

Thanks are due to Messrs. P. L. Cheng, K. K. Cheung, N. C. Fong and many others for their valuable help and advice in providing the necessary information and details.

The First City Hall in Hongkong

An Essay in Citizenship

By G. B. Endacott (History Department, University of Hongkong)

The foundation stone of the first Hongkong city hall was laid on February 23rd 1867 by Sir Richard Graves Macdonnell, Governor of the Colony at that time. The leading residents had long given evidence of possessing public spirit. Not only were they quick to meet in public protest against some real or imagined wrong committed by the local government, but they were ready to subscribe to worthy causes for the well-being of the community, as for example the Sailors' Home, or the provision of a clock tower for the adornment of the city centre, or the Morrison Education Society. The demand for a City Hall, arose partly from the need to house the fine collection of books which this latter society possessed. The Morrison Education Society had been founded in 1835 primarily to spread a knowledge of the Bible among the Chinese, and it had acquired a fine collection of books from various sources including those that had originally belonged to Dr. Robert Morrison, the first Protestant missionary in China. When the Morrison Education Society's school in Hongkong closed down, the Society had no premises of its own, with the result that this collection of some three thousand eight hundred volumes was left homeless. The books were moved about from place to place, and for one period they were stored at Canton, but they suffered sadly from neglect in this process. Meanwhile, the Society which remained in being, was faced with the problem of finding a suitable home for their property.

As early as 1855 Sir John Bowring, Governor 1854 to 1859, had drawn attention to this problem. He was a very liberal-minded man, and anxious that the Colony should possess greater amenities. In a dispatch home to the Colonial Secretary, Lord John Russell, dated 4th September 1855, he urged the provision of "a public botanic garden" and also strongly advocated a public library and museum. He was, too, a great supporter of the Hongkong Branch of the Royal Asiatic Society which had its own collection of books and had also opened a small museum.

But Bowring's governorship was an exceedingly troubled one; public and private scandal grew to be beyond the control of the aging Governor. In addition the second war with China came in 1856 with the result that cultural problems were forced into the background until more peaceful conditions were restored by the Convention of Peking 1860.

The interests of the two moribund societies, the Morrison Education Society and the Royal Asiatic Society, were similar if not identical and became merged in the demand for a Public Library and Museum, and that very soon broadened into the wider project of a City Hall.

In December 1863, the acting governor W. T. Mercer wrote home that the question of the City Hall "had been mooted some years but was still undetermined." On May 1st 1864 the Morrison Education Society had put forward a definite scheme for a public library to cost $5,000; it was to be under a Board of management of three, on which government, the Society, and the community at large should each be represented by one member. The real problem was how far government would help by the granting of a site and by assisting in the cost of administration.

Mercer agreed to a site, "adjoining the military parade ground" and occupied today by the National Bank of China and the Hongkong and Shanghai Banking Corporation. This site had just been given back to the Colony by the War Department but had been earmarked for the new offices needed for the harbour-master. The library scheme was now definitely merged into a City Hall scheme, and on 31st December 1863, a representative City Hall Committee issued its "prospectus" with full details of the scope of the proposed undertaking, and the purposes to be served. These were five in number. First there was to be a public hall for meetings, public dinners, concerts, balls and similar public function; it was suggested in the prospectus that this hall should be called St. Andrew's Hall in appreciation of a sum of $5,000 voted from the surplus funds of St. Andrew's School. Secondly there was to be a supper room, adjoining the hall, available for use alternatively as an exchange, and clearly intended to be a smaller room for the less grand occasions. Next, there was to be a room set apart for the use of the Chamber of Commerce, where newspapers, commercial reference books and lists of prices current would be available and to which telegrams might be sent. This room was to serve as a centre of general commercial intelligence.

Fourthly there was to be a public library, along the lines contained in the Morrison Education Society's circular of the previous May, with accommodation for up to 10,000 volumes, the nucleus of which would be formed by the collection it already held. There was no intention to form a circulating library—there were already many in existence in Hongkong, the prospectus declared — it was to be a reference library, aiming to collect all standard works, and preserve "fugitive publications". It was to be primarily for Europeans, because it was stated that Chinese works were to be a "secondary object". Fifthly there was provision for a permanent theatre to encourage visits by "musical and other histrionic artists", and so avoid the expense of other temporary and makeshift theatres. There was, however, one complicating factor namely that the site, or a portion of it, had been ear-marked for a harbour-master's office. To overcome this difficulty, the City Hall Committee felt that room could also be found in the one building for the harbour master and his staff.

It was indeed a comprehensive scheme, fulfilling defined functions and meeting certain definite social needs. But it was to be no merely utilitarian structure; to quote the prospectus again, the edifice was to be "an ornament to the City, a convenience to the public, and in every way worthy of the Colony". In advocating the scheme, the City Hall Committee pointed out that there was no room in the Colony, outside the Hongkong Club, which could be used for social or general purposes, and the forthright assertion was made that "the need of such a room was not shared by any other foreign community east of the Cape". In any case, it was urged, the preservation of a valuable collection of books was an important task.

The City Hall committee consisted of six men, four from the mercantile community, E. H. Pollard a prominent lawyer and W. H. Rennie, the Colonial Treasurer. Rennie seems to have been a particularly energetic member; he was an extremely able government official who was unfortunately soon after this invalided home before getting the promotion in the Colonial service that he deserved. But if Rennie were the driving force behind the plan, it was the mercantile community that was expected to foot the bill. The committee stated that though no general appeal for funds had yet been made, $15,000 had already been donated towards the City Hall, and a further $5,000 expected from the Chamber of Commerce. This was far short of the expected cost, and though the committee gave no indication of what it expected the cost to be, it nevertheless appealed for generous contributions. One more interesting point was that on the question of actual plans and general design of the building, the committee resolved to put its faith in the virtues of open competition. This was characteristic of the liberalism not only of the British in Hongkong, but of British opinion in the mid-Victorian epoch generally. The competition was duly held, and the winning design was that submitted by a Frenchman, A. Hermitte, and he was duly entrusted with the supervision of the building of the edifice.

The response to the appeal for subscriptions was not encouraging, partly because a period of acute commercial depression supervened, following the launching of the appeal. This was the depression which was to bring to an end the great house of Dent. Jardine Matheson and Co. had been a continuous supporter of the Morrison Education Society, and one of its partners, James Macandrew, was a member of the City Hall Committee, and it now lived up to its reputation as "the princely hong" by coming to the rescue, financially, as it did with the Sailors' Home, the building of which was now languishing for want of funds. In May 1864, Robert Jardine put up $50,000, estimated to be half the cost of the City Hall. Government gave $10,000, and promised an annual grant. There was still considerable delay for reasons given above and it was not until February 1867 that the ceremony of laying the foundation stone took place. The building provided a large library and museum, a room for the Chamber of Commerce, a hall for public assemblies, a ball room, a supper room and a theatre, thus giving accommodation which was a little more generous than that originally planned.

Thus the City Hall came into being, the product largely of civic enterprise, private benefaction and government assistance, a monument to the public spirit which then existed. "The City Hall is a very handsome building and would do credit to any city in the British Dominions". So wrote John Bramston, Colonial Office official in a minute to the Secretary of State, Sir Michael Hicks Beach, 3rd December 1879, and since he had himself been Attorney-General of Hongkong, he wrote from first hand knowledge. The City Hall soon ran into trouble, but that is another story.

The City Hall was opened in 1869 by the Duke of Edinburgh, and the whole Colony was gaily decorated to welcome its first visit by a member of the Royal Family. He landed on 2nd November and after being ceremonially welcomed was conducted to the City Hall by William Keswick, Chairman of the Committee and there performed the opening ceremony.

Is is too much to hope that another Duke of Edinburgh will be present to grace the opening of the new City Hall?

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The Cotton Textile Industry of Hongkong

By S. H. Yang

Hongkong, with a history of over a century as an international trading port, has within one decade moved forward in quick steps towards industralization. In the new development, the cotton textile industry has been playing a good part and quite encouragingly at that. While the progress of any one particular line may be due to private initiative and favourable circumstance, the cause and impetus of the industrial movement as a whole could only be attributed to an economic necessity, arising from the sudden influx into the Colony of an overwhelming number of people. This cannot be viewed as a mere coincidence, because from all other aspects the physical conditions of Hongkong have remained very much the same as in the days of old.

The population has now swollen to two and a half million but the territory is confined to its three hundred ninety odd square miles. Since the traditional income of the Colony derived from entrepot trade, even at its best, could not support the livelihood of so huge a mass of people, new means of subsistence must be found or created. Factory building has shown the way to opportunities but many pertaining problems have to be solved concurrently. In face of such a situation, government policy, public co-operation and individual efforts need all come into play. As 1955 is coming to its end, it may be well and timely to take a look at this prime industry of Hongkong in itself and in relation to its environment.

The first local cotton spinning and weaving mill was established in 1947, though modern looms in negligible number had been in use at workshops prior to that time but not much earlier. At present in seventeen mills of various sizes are over 300,000 spindles and some 3,000 looms in active operation. Another 3,000 or more looms in weaving factories and sheds can be easily added to make up a handsome total but statistics in this respect are unavailable. About 24,000 workers are employed in the mills. Those otherwise and elsewhere directly engaged by the textile industry, if computed, would doubtless present an impressive figure.

Annual output of cotton yarn in different counts reached almost 88 million pounds in 1954 and records show a total of over 76 million pounds produced during the first ten months of 1955. When this year ends, a slight increase over and above the production of last year may be reasonably expected. Annual output of cotton cloth in various grades, according to one past estimate, is somewhere around 200 million square yards.

The greater portion of these textile products found their way to foreign shores, while a part served local requirements. Exports from the island are free; so are imports from abroad. Thus textile manufacturers of Hongkong like their brothers in other industries have little to boast of a home market. In the field of foreign trade, they are confronted by trade barriers as well as world-wide competition. Luckily the much publicized economy in local labour cost helps to defray the two-way freight, insurance and other charges necessary for bringing in raw cotton and shipping out textiles. Up-to-date machinery also stands to the advantage of the textile industry of Hongkong. But these so-called favourable factors may only be temporarily good in this fast advancing scientific age. To win the day, the real test rests with improvement in technical skill, standardization of products, and efficiency in production and management on the one hand, and the maintaining of present markets and opening up of new channels on the other.

Exports of Hongkong textile products in 1954 consisted of over 30 million pounds of cotton yarn, worth about 92 million dollars; and some 162 million square yards of cotton cloth, worth more than 181 million dollars. During the first three quarters of 1955, yarn amounting to over 27 million pounds and cloth totalling some 138 million square yards were exported. These two items are valued at something above 83 million and 152 million dollars respectively. A little calculation will reveal that on a proportional basis the figures of the present year compare favourably with those of 1954.

The bulk of the exports went to Africa, Southern Korea, and South East Asia, notably Indonesia. Some shipments have gone to the United Kingdom under Imperial Preference. In almost all the importing countries, there have been in existence protective tariff, customs control and exchange restrictions of one kind or another, requiring therewith import licence and certificate of origin. And just how long and which of these markets is going to stay open to products of Hongkong form questions beyond prediction. Pakistan, formerly a buyer, has now become a seller of cotton yarn. Southern Korea and Taiwan, both used to get their supply of textile goods from the Colony, are now provided with products from their own mills.

The United Kingdom furnishes a longer and a different story. In recent years, the home of textiles has turned to buying cotton yarn and cloth from abroad, including products from Hongkong, largely for the purpose of processing and re-export. Although the quantity purchased from this colony has been small in comparison to her similar imports from India and in contrast to her exports to Hongkong, loud complaints and adverse comments have been frequently heard from Lancashire. Organized agitations have appeared for imposition of trade quota and import tax on textile goods from Hongkong and several other lands. The seriousness of such a reaction may be reflected from these words of the Prime Minister, Sir Anthony Eden, spoken in the House of Commons last May in connection with the abolition of Textiles Purchase Tax in the United Kingdom, that "special consideration of Colonial policy arises in the case of Hongkong." On the same occasion, however, it was declared that the Government had "decided not to depart from its policy of permitting duty free entry from the Commonwealth".

As a matter of fact, Imperial Preference, under which certain commodities enjoy duty free interflow within the Commonwealth, was designed for the benefits of all participating parties and the scheme has borne worthwhile results. To quote the Prime Minister again, Sir Anthony Eden lately said that he was conscious of "the very real value that the United Kingdom and the textile industry gains from the maintenence of Imperial Preference". At the same time, it was reported that "Lancashire exported last year something like £50 million worth of cotton piece goods under preferential rates to various countries of the Commonwealth, and the United Kingdom retained about £8 million worth of Commonwealth piece goods". When more factual details concerning both sides come to light, a fair understanding of the issue will not be really difficult.

Whatever be the primary objects of Certificate of Origin, Import and Export Licences, Imperial Preference, and the like, each system prescribes within its sphere a procedure by which some commerce is facilitated in a world of trade restaints. Inherent in the procedure is a mutual obligation whereby one gains a certain privilege and withal admits definite commitment. There should be no misinterpretation and least of all any abuse. This point deserves special emphasis and attention, because of the fact that export outlets for local products are vital to the present and future of Hongkong, if not for any other reasons. Investment and employment alike and public interest in general are concerned in matters of this nature. Any irregular practice is surely to bear harmful consequence on the commercial status of Hongkong. In the eye of the world, the Colony cannot but represent one economic unit.

Thanks to the governmental controlling agencies, the regulations and stipulations under the various systems of certification, where applied, have been effectively enforced and well followed in Hongkong. In respect of Imperial Preference, the record is especially noteworthy. Nevertheless, the slate has not been entirely clean. Ignorant and irresponsible elements, here as elsewhere, have tried in some such malpractice as passing off foreign made textiles under Hongkong origin. As the actions taken against the few instances of offence seemed rather mild, the chance of some extra profits, though illegitimate, at the risk of a small penalty can be too tempting to would-be abusers. Preventive and corrective work could be very helpful. A voluntary censure by the public and some strong measures of justice will probably go a long way in preventing and eliminating irregular practices of this sort.

Life in a community is closely interrelated. The saying that "the whole cannot be worse nor better than its component parts" makes fitting watchword for the topics in question.

Population Problems in Asia

By Yoichi Itagaki
(Professor of International Relations, Hitotsubashi University)

THE ASIAN DEMOGRAPHIC POSITION IN THE WORLD POPULATION

If we roughly take two billion four hundred million as the total population of the World today, we must first note the fact that Asia, comprising merely one-fifth of the total land surface of the World, has a population of more than one billion two hundred million, which is over one-half of the total population of the World. One of the characteristic features of Asia, as compared with other underdeveloped areas, is the immense population pressure upon its land and natural resources. "The Asian masses", "Asian type of poverty", etc. are often used to describe the state of over-population, characteristic of Asia. The reason why the Asian population problem has a special significance in the World population problem is not only because the Asian population comprises one-half of the total puplation of the World and has a numerical superiority, but also, because the increments to World population in future are more likely to take place in these areas of Asia alone.

The modern law of population growth shows a sequence of high birth—high death, high birth—low death, low birth—low death. Now, if we classify the population of the World into groups in reference to this process of transmutation on the basis of the differentials shown in the population growth, we shall clearly find the Asian demographic position in the World population.

The first group is what Warren Thompson calls "the *stationary* peoples", or what Frank W. Notestein calls "the *incipient decline* type". To this group belong the peoples that have completed the final stage in the cycle of population growth according to the modern law. The characters of this group are........1) the death rate is low, 2) the birth rate is low and falling down more rapidly than the death rate, 3) consequently, the population ceases to grow, or even begins to decrease. The second group is called "the *expanding* peoples" (Thompson), or "the *transitional growth* type" (Notestein). In the countries belonging to this group, there are some areas in which the birth rate began declining, but it is still considerably high. Here the death rate is dropping, at least as rapidly as the birth rate. The third group is called "the *pre-industrial* peoples" (Thompson), or "the *high growth potential* type" (Notestein). In the countries of this group, both the birth rate and the death rate are high and uncontrolled, fluctuating year after year due to situations arising from time to time. All countries of Asia, with the exception of Japan, belong to this group. There can be no doubt, however, that with the progress of the industrialization of these countries, they will sooner or later enter the second stage of population growth.

The classification of the peoples of the World according to their characters or trends in reference to the three phases of the demographic cycle is a familiar and well-established method adopted by modern demography. There is also another method which might be applied for comprehending more clearly the demographic situation of Asia. It is the five-phase theory of S. Chandrasekhar. According to him, (1) "The *high stationary* phase, which is the population condition of agricultural communities living near the subsistence level and is characterised by a high birth rate and an equally high death rate. (2) The *early expanding* phase, which is marked by a high birth rate and a lower or falling death rate. This stage is the initial reaction to modern influences. (3) The *late expanding* phase, which is marked by declining birth and death rates. While both birth and death rates are relatively low, the death rates are invariably lower than the birth rates, so that annual population increases still occur. (4) The *low stationary* phase marked by a low birth and death rate. Here the net reproduction rate stands about unity and the population is advanced, industrialised and rather stabilised. (5) The *declining* phase marked by an actual excess of deaths over births and by a fall in population numbers."

The important population problem of the World today is the population growth in the second and third phases of the demographic cycle—the early and late expanding phases—almost all countries of Asia primarily being in the second phase. For a long time the population of Asia remained in the first high stationary phase. The birth rate stood as high as 40 per 1,000; the death rate was also extremely high. There was no universally rapid population increase. The death rates, especially, fluctuated between wide extremes, depending on the presence or absence of war, pestilence, and famine. But the Asian population may not forever remain stationary, nor stand in a state of saturation. Once political stability, economic advancement with adequate sanitary facilities be gained, a rapid population expansion will undoubtedly follow, according to the modern law of population growth. Generally speaking, Asian countries, subsequent to 1920, may be regarded as having passed the first phase and entered the second. Now we shall examine what are the recent trends of the population situation prevailing in the various countries of Asia.

PERSPECTIVES OF THE PRESENT SITUATION

It is difficult to know exactly how the natural increase of population is fluctuating by the excess of births over deaths in Asia, as statistical data on population are inadequate. However, roughly speaking, there are many countries in Asia where over one per cent of natural increase began to appear, and in some areas the rate of natural increase reached two to three per cent. Ceylon, Malaya, and Singapore are striking examples. But, the most important are the trends of population in China and India, as both of them have an extremely large population. Even if the natural increase of population in Ceylon and Malaya be three per cent, the initial population condition of these countries is respectively seven million and six million after all.

On the other hand, the population of China and India is about 470,000,000 and 350,000,000 respectively. If the rate of natural increase be 0.5%, their additional absolute increments will be so large as to stand beyond all comparison.

Moreover, China under the revolutionary regime has shown and will show more than one per cent of natural increase in several future decades with the progress of its rapid economic development. The current trend of the Indian population indicates a similar phenomenon.

As statistical data on China are not adequate, we shall examine the Indian situation, since we can find many available data. According to the 1951 census, the population of the Indian Union is 356,830,000, which includes about 109,000,000, of the additional increment made during the past 30 years (1921-1951). The fluctuation of the Indian population up to 1921 was of sporadic nature, showing irregular changes. But since then, the trend has shown a stability. As the crude rate of natural increase for the period 1921-1931 was 10.1 per 1,000, for the period 1931-1941 14.0, for the period 1941-1951 13.0—the average rate of natural increase for the past 30 year period being 1.2%. In view of these past records, it may be reasonable to expect that in the next twenty years the increment of approximately 100,000,000 will be added to the present Indian population, the total being 450,000,000. If the rate of natural increase be 1%, the present population of India will be doubled in 70 years. Such a thing has happened in Japan. The population of Japan was multiplied by 2.36 during the period 1870-1940. Generally, the estimation of a future population increase is difficult, as the change in population involves numerous complicated factors. To calculate a future population on the basis of its past record is meaningless, and even dangerous. Even we are aware of this, still we may reasonably estimate the World population in A. D. 2000 and set the hypothetical figure as 3,360,000,000, of which 2,000,000,000 will be the Asian population under the influence of the progress of economic development in Asia. It will be seen how important the Asian population is in respect to the change of the population of the World.

The most decisive factor that will influence the natural increase of population is the decrease of death rates. The striking characteristics of the population phenomena in Asia are the high birth rates and high death rates. But, along with the achievement of political stability, progress in social and economic status, advancement in public health and medical services, the death rates in Asia are rapidly falling. On the other hand, the birth rates do not fall as rapidly as the death rates, due to social institutions, deep-rooted traditions, and the way of life. Consequently, the direct effect of industrialization and economic development is apparent in the decline of the death rates, while the birth rates remain unchanged. Thus the population continues to grow. The rapid growth of population in Asia after World War II is the result of this decline of the death rates.

To illustrate this, we shall examine India. The 5-year average death rate which was 26.3 per 1,000 in 1921-1925, declined to 22.5 in 1941-1945, and further made a sharp drop to 14 in 1952. On the other hand, the 5-year average birth rate for the period 1921-1925 was 33.0 per 1,000, for 1941-1945 28.3, but in 1952 it still remained at 27. Thus, during the period from 1921-1925 to 1952, the speed of decline of the death rate was more than twice as high as that of the birth rate for the same period. In Ceylon, this contrast is more conspicuous. In 1920, the crude birth rate was 40 per 1,000, the crude death rate 32, thus, the natural increase being 8 per 1,000. But, 30 years later, the crude birth rate remains at 40, while the crude death rate has been reduced to 12, and the rate of natural increase has become 28 instead of 8. If the rate of natural increase remains as it is, the population of Ceylon will be doubled in 26 years to come. The high rates of natural increase in other countries of Southeast Asia are due to the same cause, namely that while the high birth rate remains, the death rate has been rapidly reduced.

The type of demographic cycle of Asia clearly belongs to the early expanding phase, as pointed out by S. Chandrasekhar. The present population increase in Asia bears a high growth potential resulting from the difference by the time lag due to the initial effect of modern economic development, which reacted slowly upon the birth rate, but very speedily upon the death rate.

THE ROAD TO SOLUTION

We have observed the characteristics of the existing Asian population growth and its future perspective. Now, we must examine the solution. The phenomena of population growth are the joint product of the operation of highly complicated factors, demographic, moral, social, political, and economic. Therefore, the method for solution is bound to be of comprehensive nature. No single method can solve the problem.

Generally speaking, there have been two views as to the method of solution of the population problem, each placing emphasis on certain aspects. One is the demographic solution, and the other the economic solution. With regard to the Asian population problem, authorities on demography in more industrialized countries such as Notestein and Thompson put emphasis on birth control for the areas of heavy population pressure as a means of solution. On the other hand, those who stand on the side of backward pre-industrial countries, though recognizing the importance of birth control, have emphasized that the solution lies in the enlargement of the population-sustaining capacity by rapid economic development through agricultural improvement and industrialization.

This latter view expresses, undoubtedly, an orthodox and permanent solution. Such was the course that Western society took. As historical experience has shown, the increase in productivity through industrialization and economic development, and consequently, the advancement of standard of living with the increase of real income per capita will necessarily react on the demographic phenomena, and according to the modern law of the demographic cycle, a combination of a high birth rate and a high death rate will be replaced by a combination of a low birth rate and a low death rate, and ultimately, a population balance will be reached. Such a demographic transition took place not only in Western society but here in Japan. It is therefore reasonable to expect that the same phenomenon will occur in other countries of Asia.

Those who hold such a view do not think that the process of population change occurs independently, but they think rather it goes on deeply woven in the process of evolution of social and economic fabrics. Consequently, the new ideal of small families, practice of birth control, and reduction of the death rate are bound to take place, as a natural outcome, in the urban industrial society, of the process of urbanization and industrialization, which involves in turn an advancement in education, sanitation, technique, and real income, as well as the highering of the standard of living. Indeed such an ideal is not given from outside or from above unilaterally.

There are sufficient reasons for supporting such a socio-economic approach. However, the advocates of a demographic approach point out the following difficulties.

Firstly, although a population balance may be reached ultimately as a result of the modern economic and social development, it is not possible to wait the whole period of such a demographic process or natural transition. The unavoidable difficulty relating to the Asian population increase is how to keep down to the minimum a rapid population increase which is bound to occur in the initial stage of the modern economic development.

Secondly, as mentioned above, the problem is the huge absolute increment on the top of the very massive existing population, rather than the rate of increase. At least in India, there is the terrifying fact that the increment of her population from 4,000,000 to 5,000,000 will occur annually in the next several decades. And it is impossible to provide employment for such a huge annual increment of population in non-agricultural sectors of economy.

Thirdly, even if it is possible, an extremely rapid industrialization must be carried out in such a case as a part of the economic development programme; and we must not overlook the fact that there is an inherent limitation in respect to raw materials, capital, skilled labour, technical knowledge, managerial ability, and markets for trade required for the purpose intended. There is also a limitation in outside aid for capital and technique. And if such a programme is to be carried out without outside aid, there will be no other outlet other than to follow the course leading to the establishment of a strong totalitarian government at the sacrifice of democracy. The experience of the Soviet Union made this possible. But, "the Russian example shows that fast industrialization is possible, but it also shows that the cost is heavy."

Fourthly, the present Asian population problem is placed in an extremely disadvantageous international situation as compared with that of 19th century Europe, which rescued its increased population brought into being by the modern economic development from its Malthusian dilemma by mass emigration into new undeveloped areas, development of colonies and expansion of trade markets. To-day, such opportunities or frontiers are practically lost. For a country to seek a means for solution outside its own borders is impossible.

As seen above, it is impossible to find a simple and easy way out for the Asian population problem. Asia is suffering from various contradictions and is in a vicious circle in its course of development. The population problem is one of them, and the most serious one. Yet we cannot stand idle simply because there is no easy way to overcome the difficulty. Asia must find its own solution.

Probably, Asia must adopt the following methods in order to solve its population problem. As mentioned above, its attitude should not be such as to choose one or the other, that is either the demographic solution or the economic solution, but rather it should be such as to adjust these two methods and employ them side by side. It should be a fundamental policy to be adopted in the economic development programme for Asia to check the growth of population by the practice of birth control and planned parenthood through the planned enlightenment movement, education, and a widespread establishment of facilities and conveniences, weaving the family planning into the economic development programme as an integral part, not allowing a rapid population increase tendency, as may be brought about as a result of speedy economic development.

Such a policy has already been adopted by India and integrated into the First Five Year Plan, and the future is not entirely pessimistic. According to the report by Chandrasekhar, generally speaking, there is no organized cultural, institutional or religious opposition to planned parenthood in present India and therefore if the strenuous efforts are made by the Government for the dissemination of universal knowledge and facilities for the practice of birth control, a considerable effect can be expected. In India, organized activities have just begun; although it is quite difficult to expect their immediate outcome, it is praiseworthy that India, fully aware of the fact that the advancement attained by the economic development is most likely to be cancelled by its population increase, has adopted a bold new policy for population control

The chronic misery and poverty of Asia lies in its low productivity due to its pre-industrial character of production methods. Therefore, in order to achieve a speedy improvement in productive capacity and advancement of the standard of living through modernization of production methods and, above all, to expedite a diversified and balanced national economic structure, correcting its mono-cultural colonial economic structure, Asian nationalism will be bound to endeavour to materialize a large-scale and rapid economic development even though there might occur a speedy population increase at the initial stage of economic development. In that case, it must be remembered that, unless such an economic development programme has as its integral part some measures of population control to keep the growing population pressure as low as possible, freedom from poverty and the highering of the standard of living, which are the ultimate goal for economic development planning, cannot be realized.

Adjustments of the Chinese Minority in the Philippines

By Teofilo D. Reyes

(Past President, Chamber of Commerce of the Philippines)

The Filipino-Chinese relations are said to have begun earlier than 982, A.D. The first Chinese merchants came to the Islands of Sulu and Luzon during the Sui dynasty (581-618, A.D.). As early as 300 years before the Spanish conquest, the Chinese had settled in some parts of the country. The history of the Philippines gives an account of the commercial exploits and adventures of Chinese traders and sailors, who, in the interest of business and commerce, had been attracted to our shores from time to time because of the abundance of trade opportunities. From an early day, the Chinese carried on the greater bulk of the retail trade and much of the wholesale trade of the country. They were also and still are the principal importers and exporters.

The Chinese population in the country is roughly estimated at 220,000. This is but 1% of our population of 22,000,000. However, of the total foreign trade of P1,695,908,000 in 1953, their share was 20%, or P343,422,000. Breaking this down into imports and exports, we find that their share of the import trade of P894,678,000 was 25%, or P219,948,000; while that of the export trade of P891,229,000 was 14%, or P123,474,000. The Filipino share of the foreign trade for that year was 33%, or P560,340,000. Breaking this down, we find that our share of the import trade was 40%, or P356,975,000; while that of the export trade was 25%, or P203,364,000. This Filipino share includes naturalized Filipinos and "dummies."

According to the Economic Census of 1948, of the total assets amounting to P1,210,209,981, of the 135,494 registered commercial establishments, the Chinese owned 23.3% or P282,048,616, as against Filipinos who accounted 43.2%, or P467,364,469.

The Census further reveals that the Chinese operated 17,092 business establishments engaged in commerce, manufacturing, fishing and forestry industries during 1948. The value of their ownership in the assets of these enterprises aggregated P270,410,916. The Chinese also held interests in mining, transportation and public utility companies and their total participation in the ownership of the assets of these establishments amounted to P274,895,864. In the ownership of the total assets of all commercial establishments reported in that Census year of 1948, the Chinese are credited with 23.3%, or P282,048,616.

In 1953, there were 247 Chinese sole proprietorship firms registered with the Bureau of Commerce, with a total paid-up capital of P9,280,414 against 510 Filipino firms registered with a combined paid-up capital of P17,617,416. In 1954, 290 Chinese single proprietorship firms were registered with a total paid-up capital of P6,233,698 compared with 612 Filipino single proprietorship firms registered in the same period with a total paid-up capital of P15,902,514.

In 1953, there were 90 Chinese partnership firms registered to engage in the manufacturing industry with a total paid-up capital of P5,780,985, as against 62 Filipino firms registered during the same period with a total paid-up capital of only P2,708,831. In 1954, 66 Chinese firms were registered with a total paid-up capital of P3,606,158, compared with 46 Filipino firms with a total paid-up capital of only P1,175,473. The Chinese led the Filipino in capital invested by P5,502,839 in the years 1953 and 1954 combined.

In the fiscal year 1954-1955, a total of 1,838 private merchants were registered with the Bureau of Commerce, 828 of which were Filipinos, 987 Chinese and only 23 other nationalities. These 1,838 private merchants have a total capital of P31,513,824.18 distributed as follows: Filipino — P16,212,687.91; Chinese — P14,755,248.86; and all others — P5,630,887.41.

* * * *

From the facts and figures here given, the glaring disproportion and injustice in the enjoyment of economic opportunities in this country is obvious. The Chinese, constituting but 1% of the population, shared 20% or P343,422,000 of our foreign trade in 1953; owned 23.3%, or P282,048,616, of the total assets of the 135,494 registered commercial establishments in 1948; and accounted 27.2%, or P294,394,227 of the total gross sales or receipts of all the retail shops, as reported in the 1948 Economic Census. What a glaring disproportion! In the years 1953 and 1954 combined, the Chinese led the Filipinos in capital invested in partnership firms by 5,502,839. The Filipino struggle for economic emancipation seems to be farther and farther. What is true with the Chinese minority is also true with the other alien minorities.

This anomalous and highly condemnable economic situation has been brought about as a result of centuries of political and economic oppression. That our people have been the victims of alien exploitation is clear. But our people have awakened, and economic nationalism which failed to flourish during the centuries of foreign domination has in recent years gained its foothold in our national life. The Nationalization Law, the Namarco Law, the Retailers Fund, and the many nationalization bills presented in Congress are clear manifestations of a desire to adjust for the good of our people centuries of maladjustments in our economic life. These are also danger signals that may spell the doom and destruction of the present economic order. No amount of economic theories from our "swivel chair" economists can appease our people in their rightful and just desire to control their economic life. We are now an independent republic, but politically free as we are today, we are still that same economic slaves we have been the many ages past.

What is political freedom without economic independence? In the present anomalous economic set-up in which we find our people, how can they enjoy the blessings of that political freedom in a tense atmosphere of economic serfdom? Centuries of foreign domination have entrenched the hold of alien minorities in this country. In that historic conference held in Bandung, our delegation headed by General Carlos P. Romulo led in condemning colonialism in all its manifestations. Colonialism was condemned in that historic conference, but the mantle of colonialism is still with us in our economic life. As a matter of fact, many of our people are still afflicted with a colonial mentality. We must therefore rid ourselves of that colonial mentality and establish an economic system free from the mantle of colonialism. In this land of overflowing plenty, gifted with abundance of land and natural resources, it is depressing to see that only the privileged few, and this includes the alien minorities, live in luxury, while the great mass of our people live in want. Unless we make the much-needed economic adjustments, and make them immediately, our people will be contaminated by that spirit of ultra-nationalism which now pervades in all parts of Asia. When that happens, we will be developing a tense situation convulsive in its nature and destructive in its effect.

Social and economic adjustments should include the following insofar as Chinese minority is concerned: 1. That we assimilate the Chinese residents in this country by—(a). Liberalizing the Naturalization Law; (b). Not allowing the establishment of Chinese schools, and any foreign school for that matter; and (c). By encouraging more social contact and legitimate marriage between Filipinos and Chinese.

2. That an economic policy be established limiting the total alien share in the economic activities of this country to not more than forty percent, thereby reserving to Filipinos, born and naturalized, not less than sixty percent. 3. That a Licensing Office be created either under the Office of the President or in the Department of Commerce for the purpose of licensing any new business or industry.

* * * *

After centuries of Filipino-Chinese association, we have found these two peoples living together and collaborating in all aspects of community life. Unlike many of those from the West who are ashamed to become Filipinos, the Chinese take pride in adopting the Filipino nationality. A great many of the Chinese residents have made this country their home. All that is lacking is the act of naturalization. But the existence of Chinese schools, and foreign schools in any independent country is a source of danger to the national security of that country. This is particularly so, like in the Philippines where the aliens have a stronghold. In the United States there are no foreign schools. Foreigners in the United States have been assimilated and have become Americans with unswerving loyalty to the Stars and Stripes.

Marriages between the Filipinos and the Chinese have proven to be very successful. As a result of centuries of historical association between the Filipinos and the Chinese, many of illustrious leaders, dead and living are of Chinese descent.

Now that we are in an independent republic, it is necessary that we put an end to an "alien-control" economy. We cannot long remain politically free but economically dependent. Our political independence would be meaningless unless we liberate our people from the economic bondage that has tied them with the aliens during the many centuries past. The wealth and resources of this country are for our people and our people's children to treasure and to enjoy. They must be preserved for posterity. Aliens that believe in the richness of our country and the goodness of our people must strive to become naturalized citizens. But they must become so not for personal convenience.

An economic policy limiting the total share of all aliens in the economic activities of this country to not more than forty percent should be adopted. This will mean that the Filipino share shall not be less than sixty percent. At least sixty percent share of our own people in the economic activities of our country is necessary to control our economy. Forty percent for aliens to enjoy is more than liberal. As a matter of fact, no independent countries have ever given to foreigners that much participation in their economic activities. In the attainment of this sixty-forty share, existing vested rights must be respected.

With the establishment of a licensing office, either under the Office of the President or in the Department of Commerce, the share of aliens in the business and industry of our country can be controlled without provoking international questions. With such a licensing office, there would be no need of any nationalization law. When the total share of the aliens in any particular business or industry has reached forty percent, no new alien should be licensed for that particular business or industry. In this way we can maintain the sixty-forty ratio and thus control the economic activities of the country at all times. The said licensing office may also be used as an instrument for doing away wasteful cut-throat competition.

An Atomic Review

By John Kingsley

The United Kingdom Atomic Energy Authority is taking no chances in the strength of the foundations it is laying for its programme of atomic power. With the first full-scale industrial atomic generating station in the world nearing completion at Calder Hall, in Cumberland, preparations are now being made to step up the output of nuclear fuel from the uranium processing factory—Springfields. Springfields is the base to which uranium ore is sent when it reaches Britain. It is crushed, purified and then turned into metal billets. Finally, it is formed into rods which are then machined to size, put into metal cans and sealed (a delicate, tricky operation), and finally tested.

This may appear to be one of the least dramatic sides of the atomic power programme, but it is vitally important. The factory at Springfields was one of Britain's first. It was built in 1947 to meet the urgent need for military requirements, when Britain was struggling to make up the leeway of atomic progress thrust on her by the war. It was built in one courageous step—from the test-tube stage of laboratory experiment to a full-scale, engineered production organisation costing millions of pounds. To have made Springfields a success was an achievement of major importance. If the theoretical ideas of the scientists and the engineers had been wrong, Britain could never have achieved the leadership in industrial atomic power that she now holds. The factory, however, is now capable of vast improvement by incorporating new techniques that have been discovered as the work went on.

This is important from the point of view of the overseas atomic customer. With a lead of several years over all her international competitors in the field of atomic power generation, Britain is in a position to offer the world the complete installation of power stations anywhere "from the ground up", but one of the questions hinted at by our competitors has been: "You can build them, but can you supply the fuel?" Britain is quite confident that the necessary supplies of natural uranium will be available when the time comes for the export of reactors of the Calder Hall type. The success of Britain's own atomic power programme—of which Calder Hall is the forerunner—will be British Industry's best advertisement in the export market. The significance of Calder Hall can be appreciated when it is remembered that nowhere in the world has a full scale power reactor yet come into operation.

Springfields has been working almost entirely in producing the uranium fuel elements for the Windscale (Cumberland) reactors which are producing plutonium, and the reactors at the Harwell Research Headquarters. It already has sufficient capacity, however, to produce the fuel for the new Calder Hall station. And even the extensive plan already under way to build a second power station at Calder Hall, two further stations in Scotland, and the £300,000,000 scheme for the construction of twelve nuclear power stations for the British Central Electricity Authority in the next ten years will not strain our fuel resources. There will still be enough fuel available for anything that is done abroad by the four industrial combines formed to exploit the construction of power stations.

When the Duke of Edinburgh went to the Calder Hall plant in November, one of the most important aspects of the work he saw was the degree of integration between the firms building the station. This has been the real key to the speed at which Calder Hall has been built. Though it is the first station of its kind in the world, entailing entirely new constructional techniques, the whole programme is on schedule. This is despite the fact that severe weather has had to be contended with. This has been achieved by fine dovetailing of the various types of work—the concrete construction side, the nuclear aspects of the reactors, each of them lined with 1,000 tons of graphite blocks before the uranium fuel is put in, and the engineering activities entailing the building of heat-exchangers and the turbine hall. One of the engineers, responsible for the huge concrete structures into which the machinery of atomic power is being built, says that they have been able to integrate the work so closely that there has at no time been delay while one section of the team has had to wait upon the work of another. This has resulted in a saving of months in the building of the station.

The Calder Hall type of reactor is the most straightforward type that can be designed. It has been criticised as being of a type that will be superseded with the development of homogenous reactors and "fast breeders." But it is a *practical* proposition and this type of nuclear power station will produce industrial energy at a cost at least as low as that of a coal-fired or oil-burning plant and almost certainly in the long run it will be even more economical. This practical aspect is of importance. If, as seems fairly certain, Britain is to supply similar power stations to the rest of the world, there are three major factors to consider.

(1) The reactors must be inherently safe. The Calder Hall type is completely incapable of producing anything in the nature of an "atomic explosion" even if grossly mishandled or if all of its safety precautions failed. Even deliberate sabotage could not create a major disaster. (2) It must be economical. The cost of power from the Calder Hall type will be 0.6d. of a penny per unit at the most. Improvements already envisaged and to be incorporated in the next stations show promise of bringing this figure down appreciably. (3) The reactors must be sufficiently simple to allow of their being operated by engineers of normal calibre; they must not call for supervision by difficult-to-train physicists.

This practicability cannot be over-stressed. There are different types of atomic power stations in prospect—experimental reactors of advanced design are already building in Britain—but they are still in the theoretical stages and will call for years of development before they can be introduced as industrial units. Meanwhile, the straightforward Calder Hall type is an immediate and feasible proposition, a factual contribution to the solution of the world's power problems.

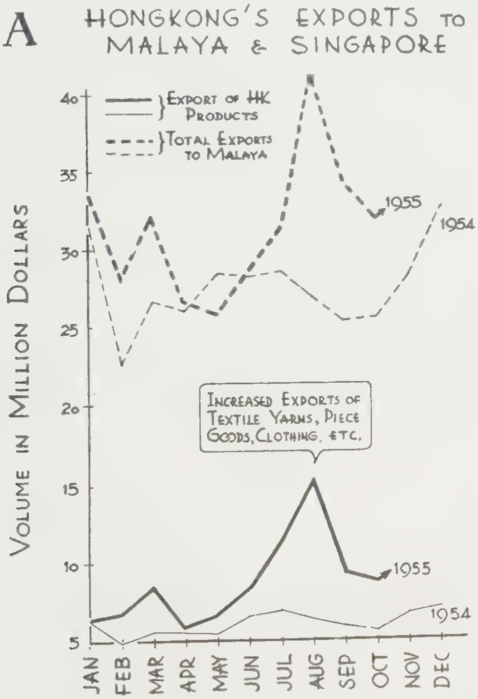
Prospects of Hongkong-Malaya Trade

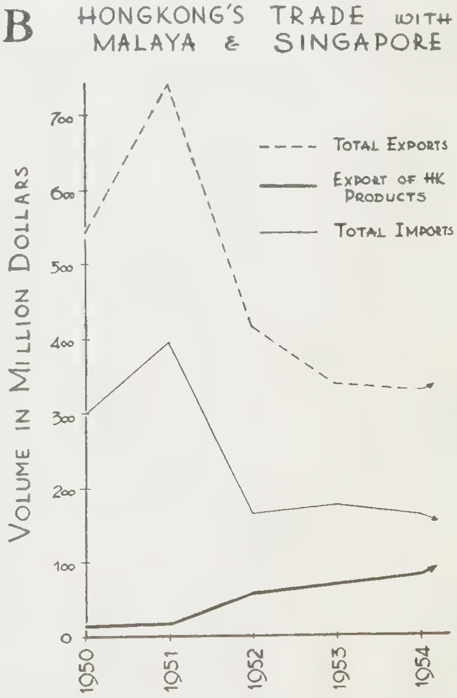
By Ricardo

Malaya with her population of 6.9 million has become the most important buyer of Hongkong products and entrepot merchandise. This is due not only to the fact that the Federation of Malaya, the Colony of Singapore and Hongkong are members of the same Commonwealth but also because Hongkong is the nearest supplier of Malaya for various commodities. During the past five years, there were ups and downs in the volume of shipments from here to Malayan ports but compared with exports to other destinations, Malaya remained one of the principal trading partners of Hongkong. For the first 10 months this year, exports to Malaya exceeded those for the same period in 1954. The total for 1955 will probably show an increase of more than HK$50 million over last year. Yet there have been anticipations among the local business community that shipments of re-exports from here to Malaya would be drastically reduced by Malaya's direct trade with supplying sources and that the exports of Hongkong products would be restricted by the competition from Japan and China as well as by the output of Malaya's domestic industries. These apprehensive views are not groundless but exaggerated.

DEVELOPMENTS DURING 1951-54

The best year for Hongkong in its trade with Malaya was 1951 when exports reached $740.6 million. That was the year when China made heavy purchases of rubber from Southeast Asia. Shipments from here to Singapore and other ports in Malaya consisted mostly of foodstuffs and sundries from China; manufactured goods from Europe, U.S. and U.K.; and miscellaneous items from Japan. After the U.N. embargo was enforced on trade with China, Hongkong's exports to Malaya dropped sharply to $417.6 million in 1952. The decline in H.K.-Malaya trade was also caused by Indonesia's restriction of imports from Hongkong through Singapore on account of the exchange difficulties in Djakarta. The volume of trade was further depressed by Malaya's development of direct trade with U.K., U.S., Europe, Japan and China during the recent years. Exports to Malaya last year declined to $830.5 million. Meanwhile, shipments of Hongkong manufactured goods increased steadily and conspicuously from $196.6 million in 1950 to $681.9 million last year.





Graph A features the growing importance of Hongkong products in trade with Malaya. Graph B shows the decline in total exports to Malaya and the steady increase in shipments of Hongkong products; the drop in the total exports would have been much more steep during the past three years had it not been rescued by Malaya's improved demand for Hongkong products. Arrow heads indicate the tendency in 1955.

MALAYA'S PURCHASING POWER

The future of Hongkong's trade with Malaya rests upon two developments: (1) the increase or the decline of Malaya's purchasing power and (2) the enlargement or the reduction of Malaya's imports from here. Malaya's purchasing power depends upon the international demand for her rubber and tin which constitute the bulk of Malaya's exports. The total exports of Malaya (including Singapore) for the year 1951 amounted to HK$9,584.8 million. The volume dropped to $6,269.6 million in 1952 and to $4,834.6 million in 1953. Last year it recovered slightly to $4,978.4 million on improved exports of rubber and tin. Total imports also declined from 1951's $7,552.5 million to $6,196.6 million in 1952 and to $5,181.1 million in 1953. In spite of her improved exports last year, total imports of Malaya went further down to $5,023 million. Her imports from Hongkong showed corresponding falls during the past four years. However, for the first three months this year, Malaya's total exports increased to HK$1,791.5 million from $1,305.9 million for the same period last year. Malaya's purchases from Hongkong during the same periods showed corresponding advance from $80.7 million to $93.6 million (an increase of $12.9 million); up to the end of October this year, the improvement aggregated $44 million. With the recent firm prices for rubber and tin in international markets, Malaya's purchasing power has been strengthened and her imports from here tend to increase especially now as Indonesia and other countries in S.E. Asia recently resumed imports of commodities from Hongkong through Singapore.

SHIPMENTS OF RE-EXPORTS

In spite of the decline in the shipments of re-export items from here to ports in the Straits of Malacca, such commodities still constitute about 75% of Hongkong's total exports to Malaya. Even if trade declined further as a result of Malaya's progressively direct trade with U.S., U.K., Europe, Japan and China, the decline would not be drastic within the next few years. At present almost 50% of H.K.'s trade with Malaya is handled by Chinese firms here which are organised, as it were, into an exclusive outfit—the Singapore traders. Most of these firms have a long history in both colonies and have their head offices in Singapore and branches in Hongkong or vice versa. Their offices in Singapore are still controlling the wholesale trade over there. They ship to Hongkong not only rubber and tin but also firewood, charcoal, timber, coconut & coconut oil, palm oil, aluminium, mineral fuel, lubricants, miscellaneous ores and metal scrap. In return, these traders re-export mostly foodstuffs, fruits and vegetables, sugar, pharmaceuticals, paper, textiles, and yarns. Such exports will continue to flow from here to Malaya as long as these firms are maintaining the traditional trade between these two colonies. As export to Singapore dominates Hongkong's trade with Malaya,* the activities of these Singapore traders have very decisive influence on the development of H.K.-Malaya trade. Statistics at the end of this article indicate that the pronounced fall in the shipment of re-export items to Malaya in 1951/52 levelled off and during 1952/54 fluctuated between $250/$350 million. In 1955 the total for Jan.-Oct. is higher than that for the same period last year.

EXPORTS OF HONGKONG PRODUCTS

The export of Hongkong manufactured goods to Malaya has improved considerably during the past 5 years. However, this important market for H.K. products has not yet been fully exploited. Apprehension has been nursed against the competition from Japan and China and premature appreciation has been entertained about the development of Malaya's domestic industries. So far, competition from Japan has been comparatively serious only in the case of textiles. Nevertheless, cotton mills here have been able to compete successfully by cutting down production cost and profit. In other manufactures such as enamelware, torchlight, shirts, vacuum flasks etc., Japanese products are not cheaper than Hongkong goods, and therefore healthy competition can be welcomed.

Recently, China has been pushing the export of foodstuffs and light industrial products to Malaya such as nails, wire, plywood, pens, pencils, bicycles, paper and piece goods; but Hongkong's major exports to Malaya—shirts, enamelware, knitwear, footwear, towels, metal lanterns, vacuum flasks and clothing—have not been affected. In view of China's insignificant amount of funds for the development of these light industries and her own vast demand for these items, competition will not prove to be serious for some time to come. However the fact nevertheless cannot be overlooked that the export drive of Peking—a desperate effort to procure foreign exchange at the cost of the living standard of the people—may reduce Hongkong's Chinese manufacturers' business. In many so-called under-developed markets overseas, the Chinese export drive, if it is sustained and Peking not compelled to change this ruthless policy, could undermine the business of local Chinese export articles. While much has been made, in the past, of the Japanese dumping practices and the growing expansion of Japanese goods in Asian markets, the Chinese export drive may eventually assume more threatening proportions as far as local Chinese manufacturers and their export associates are concerned.

Industrial progress in Malaya has been stimulated especially after the opening of the Pasir Panjang Power Station in Singapore and the Connaught Bridge Power Station in the Federation. However, the increase in investment in industry has not been large. In the Federation of Malaya, the manufacture of rubber goods, cement and soap is predominating. Light industries are mainly in Singapore. There are several textile mills, a brewery, a limited number of factories which produce edible oil, boot polish, rope, metal boxes, leather shoes, canned food, plastic goods, pencils, aluminium ware, biscuit, plywood, paint, electric batteries, cigarettes and a few large scale factories which supply non-carbonated fruit juice. Some factories were established by industrialists from Hongkong during the past three years. Recently these investors reported that their investments in Singapore had not been very profitable. The greatest difficulty arises from restive labour. Workers in Hongkong are more efficient and docile than those in Singapore, but only a very limited number of local workmen were able to get there. Labour cost is higher in Singapore and the activities of Communists in Malaya have had a bad influence on the behaviour of workers in Singapore. As a result, the flow of industrial capital from here to Singapore came to an end. It is unlikely that local Chinese will invest in Malaya or Singapore now when political conditions are in a flux, and the 'communal problem' is far from showing a solution favourable to oversea Chinese. The Communists are still capable of creating tension and a sense of insecurity prevails notwithstanding the spurious peace offensive of the new governments in Singapore and Kuala Lumpur. Labour is not inclined to abstain from mixing in politics, and that does not augur well for peaceful industrial relations. Climatic conditions in equatorial countries are such as to reduce efficiency and induce siesta habits; the relatively efficient workman of Hongkong is, because of the difference in geographic latitude, a more preferable and more 'profitable' assistant.

Meanwhile, Malaya has climbed from the third position on the list of "leading buyers for Hongkong products" to the second place this year; next only to U.K. The momentum already gained assures better business next year. The prospects for Hongkong products in the Malayan market could be further improved if manufacturers here studied the demand more carefully and introduced new commodities to the 1¼ million potential customers in Singapore and 6 million more in the Federation of Malaya.

Trade statistics for the first 10 months this year show that Malaya is now "the best" customer of Hongkong. Total exports to Malaya during this period amounted to $313.6 million**. In spite of her own industries and her direct purchases from U.K., U.S., Japan and Europe, Malaya is still looking to Hongkong for a large portion of her needs particularly foodstuffs, shirts, singlets, socks, enamelware, aluminium ware, plastic goods, textiles, shoes, matches, umbrella, lamps, embroideries, vacuum flasks, gourmet powder and sundries. The development of Hongkong-Malaya trade therefore represents commercial co-operation in raising the living standard of peoples in both areas, and therefore is being promoted by Hongkong industrialists and Singapore traders, and fully supported by the respective governments.

HONGKONG'S TRADE WITH MALAYA

(in million HK$)

	1950	1951	1952	1953	1954	Jan.-Oct. 1954	Jan.-Oct. 1955
Shipment of Re-exports to Malaya	530.3	725.0	359.7	268.8	256.6	209.7	225.9
Export of H.K. Products to Malaya	12.5	15.6	57.9	68.4	73.9	59.8	87.7
H.K.'s Total Exports to Malaya	542.8	740.6	417.6	337.2	330.5	269.5	313.6
H.K.'s Total Imports from Malaya ..	300.2	394.1	163.9	177.5	161.6	136.2	125.7

HONGKONG'S EXPORTS TO MALAYA

	Total Exports to Malaya		Export of Hongkong Products	
	1955	1954	1955	1954
		(in H.K. dollars)		
January	33,447,581	31,400,564	6,379,777	6,300,734
February	28,028,201	22,653,462	6,875,744	4,892,858
March	32,076,199	26,656,489	8,525,876	5,747,261
April	26,625,300	26,023,073	5,878,022	5,593,358
May	25,792,405	28,320,670	6,823,024	5,517,158
June	28,725,816	28,251,514	8,510,125	6,658,218
July	31,469,381	28,585,855	11,361,605	7,166,165
August	41,256,752	26,894,707	15,304,659	6,484,048
September	34,252,181	25,242,875	9,250,621	5,877,168
October	31,922,145	25,482,086	8,824,601	5,611,866
November		28,248,975		6,877,931
December		32,779,863		7,212,225
Total	*313,595,961	330,540,133	*87,734,054	73,938,990

* Total for Jan.-Oct. only.

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* Of the total export of $5,023.1 million to Malaya last year, $3,728.5 million went to Singapore and $1,294.6 million to the Federation of Malaya.

** U.K. comes next with $203.8 million followed by China $157.4 million, Korea $152 million, Thailand $141.4 million, Indonesia $136.9 million and Japan $113½ million.

Economic Review of Malaya and British Borneo

Political Strain in Singapore: The problems associated with Singapore's new government have grown more acute in the last three months. An initial difference in opinion between the Governor and the Chief Minister has resulted in a re-examination of the aims of the new constitution and the premises on which the movement towards independence was based. This has been accompanied by demonstrations at every stage. The number of strikes has increased, and they are more definitely of a political nature—divorced in the main part from economic needs. In retaliation the Public Security Bill was passed in October.

Intensified Labour Unrest: In the six months since the Labour Front government came to power there have been 230 strikes which have lost the colony an estimated 500,000 man days of work. While some of the strike demands are based on the economic condition of the workers, more often they are the product of professional agitators aided by Chinese students, who are out to discredit the government. In October, the government passed the Public Security Bill, which extends "emergency" legislation for a period of three years, instead of the customary three months. This bill provides the government with general powers of detention up to two years, and this power is particularly directed at individuals endangering essential utility services: it is hoped that this will protect workers and community alike against 'pseudo-trade unionists". Strikes in essential services are forbidden unless notice of 14 days has been given. At every stage of its adoption, the bill has been attended by protest from trade unionists and students, but the passing of this law could be a turning point in Singapore politics, with a great opportunity for the government to impose internal stability with firmness and moderation.

Malaya Follows Suit: Incited perhaps by activity in Singapore, the new Alliance Government of Malaya has made more concrete its plans for quicker self-government and eventual independence. This government, which gained 51 out of the 52 elected seats in the Legislative Assembly, and which can therefore lay some claim to representing popular opinion in Malaya, has announced its intention, through the Chief Minister, of obtaining a four year timetable for self-government and independence, beginning with the appointment of a commission to transform the house into a purely elective chamber. The veto power of the High Commissioner, which up to now has been used sparingly and with great reasonableness, must become completely advisory within two years at the latest. The Chief Minister met with Mr. Lennox-Boyd to discuss these plans and obtained an invitation to send a delegation to London early next year to discuss plans for giving the Federation a bigger share in the responsibility and cost of government. This movement for independence, however, lacks much of the political ferment present in Singapore, and there is no evidence that the Malayans will force a crisis. The Alliance government aims in economic affairs at conservative reform which is evidenced in their declared aims of a balanced budget, the amendment of the income tax laws in order to encourage industrial growth with the aid of both local and foreign capital, and the improvement of small holding and estate agriculture.

Obstacles to Independence: Before Malaya can settle down to a greater measure of self-government as a preliminary to such economic development, there remain many problems: the Chinese have adopted until now a self-effacing political role, but while they are submerging their nationality problems in order to make the demand for independence more reasonable, there is no reason to believe that these are permanently solved: this is evident from further outbreaks of student riots in July. A commission to study the problems of Chinese education and nationality has been promised.

A further obstacle to independence is the attitude of the state rulers who have considerable spiritual and temporal sway over the Malays. The United Kingdom owes its legal status in Malaya to contracts made with the rulers. The influential Sultan of Johore recently announced his disapproval of self-government at this stage. However, the plan to send a delegation to London next year has been approved by the rulers.

The greatest obstacle to self-government and independence is the emergency and it is to this problem particularly that the Alliance government has addressed itself. Apart from the cost of the campaign to the budget—about M$138 million each year—internal stability is a necessary condition for independence. An amnesty, which came into force in both Malaya and Singapore on September 6th, was declared and supported both by the military authorities and the planters. It was felt that this was a propitious time for such a proposal, owing to the improved relationships between the great powers, the wide support of the Alliance government which destroys the communist claim to represent the popular will, the drop in the number of terrorist incidents, and the present rate of surrender. The amnesty pardons any offence connected with the emergency committed under communist direction before the date of the amnesty declaration and although there was to be no general cease fire, local ones could be arranged. Those who surrendered were to be re-habilitated if found upon investigation to be a good risk: alternatively they would be returned to China. The communist party was not to be legalised in Malaya. Up to the first week of October, only 30 communists had surrendered and in this sense the plan must largely be considered a failure: the planters have now withdrawn their support.

A further development has been the offer of certain terrorist leaders to meet with the Chief Minister for further discussion. Arrangements for this meeting in the jungle are still taking place and Mr. Marshall is to join the conference. It is unlikely that such a meeting, even if it does take place, will result in a compromise satisfactory to both parties. The government of Malaya will in that case be obliged to intensify military operations if it wishes to end the emergency quickly.

IMPROVED COMMODITY PROSPECTS

Rubber continues rise—then weakens: The price of rubber, which stood at 1/11 in September 1954, rose steadily since that date to 2/3 in May 1955. The price then rose sharply to 3/7 in mid-August, when it weakened: it now stands at 2/11. The overall increase in prices is due to the basically strong statistical position, and the entry of unusual buyers served to push up prices further.

The first half of this year showed an estimated production of 870,000 tons of natural rubber, compared with consumption estimated at 942,500 tons, leaving a deficit of 72,500 tons. Total stocks were falling. These forces gave rise to the gradual increase in price to the end of June. The months of July and August, however, saw a reversal of this statistical position: while production for these two months stood at 317,500 tons, consumption was only 285,000 tons, leaving a surplus for these two months of 32,500 tons. The depressing effect of this surplus was negated, however, by the entry of Russia into the market and the price rose sharply until September.

In mid-September, however, the market suffered its first reverse due mainly to market sentiment influenced by President Eisenhower's illness and the falling off of heavy Russian purchases. Further falls have been due to selling on behalf of small dealers because of the new registration scheme at the end of September, and later, in mid-October, to the reaction following the abolition of Indonesia's export tax. These influences acting to depress the prices have not been compensated by the rise in price due to a threatened go-slow strike among the rubber workers in Malaya. Whilst all these events have affected the price of rubber, more fundamental is the changed statistical position observed above where, with world consumption unchanged in August compared with July, there was an increase in production of over 8 per cent.

In the short run it would seem that the price of rubber will remain steady around the level it attained before the abnormal stimulus of Russian purchases, and it is probable that supply and demand will equate themselves for 1955 as a whole. The surplus or deficit should only be small and as the early part of the year has seasonally low production the price should hold at this lower level for some months.

The prospects in the longer run hinge largely on consumption: this year, the main consumers—the United States, the United Kingdom, France and Germany—have all increased consumption of natural rubber. The American demand is based largely on automobile sales, which now look near to saturation, although that market is always full of surprises; it seems certain, too, that production of synthetic rubber in the U.S.A. will increase rapidly. With the Australian and New Zealand import cuts affecting the United Kingdom automobile industry, demand for rubber may also fall in this respect.

Malaya's output: Total production of rubber in Malaya for July, August and September of this year was 166,144 tons; 4 per cent more than was produced in the similar period of 1954. Small holders increased production to 73,982 tons compared with 68,050 tons for the same period of 1954. Estates increased production from 92,025 tons in the third quarter of 1954 to 92,162 tons in the same period of 1955. Exports for July and August were higher in 1955 at 99,284 tons than in 1954 when 95,803 tons were exported.

In the immediate future, there is a possibility that the production and therefore the export of rubber may fall owing to the new agreement made by the National Union of Plantation Workers with the Planters Association. This provides for a six day week and two weeks annual vacation. It has been estimated that annual production, if these benefits were fully taken, would drop by 54,400 tons, and this mainly from the production of the estates. Production may be further reduced in the short run if advantage is taken of the grants offered by the Malayan government for subsidising rubber re-planting.

Tin Continues Firm: After the sharp rise in prices from May to July, tin has remained firm throughout October: it now stands at £761 per ton. This stability at a fairly high level reflects a strong statistical position. It is estimated that supplies will not increase this year over last year's total production of 167,000 tons: on the other hand, consumption appears to be increasing steadily after suffering a temporary check during the second half of 1954. It is estimated that total consumption for this year will reach 148,000 tons, leaving a surplus of 19,000 tons. The United States has in recent years absorbed more than this in its stockpile, but has agreed to reduce its stockpile purchases for the year to some 23,000 tons. This would lead to a deficit of 4,000 tons, and it is on this prospect that the present rise in tin prices has been based. There have been setbacks associated with the American decision to reduce its stockpile intake, and the market fell slightly owing to the strike of municipal workers in Singapore. The market was supported on the other hand by the threat of a strike at the Eastern Smelting Company, which is not yet settled, and a further rise was due to the announcement that the United States will buy 800 tons of Siamese tin ore which was not included in the programme announced in August.

As to the future, it appears that this sound statistical position will hold for the rest of the year, although the prevalence of labour troubles in Singapore may upset the market on occasions by driving up prices temporarily. In the longer run the rising trend of consumption may well continue, and the International Tin Agreement will be a steadying influence if Indonesia ratifies it and thus enables its operations to commence. On the other hand the Texas smelter may be sold next year and the U.S.A. reduce its stockpile purchases.

Malayan Output of Tin Steady: Malaya's output of tin-in-concentrates rose from 5,084 tons in June of this year to 5,133 tons in September. While Malayan total production in 1954 was 60,691 tons, production in the first seven months of 1955 has been at an annual rate of 60,773 tons. The Alliance government has announced, as part of its economic policy, its intention of seeking a uniform policy regarding the alienation of mining lands, and of encouraging private capital investment with a view to improving mining methods. This may go some way to increasing future production.

Other Minerals: The production of iron ore showed an increase in the second quarter of this year compared with the same period of 1954. The monthly average production for this period in 1954 was 106,300 tons, rising to 136,200 tons in the same period of 1955. Production of coal has decreased slightly from a monthly average of 20,600 tons in the third quarter of 1954 to a monthly average of 17,600 tons in the same quarter of 1955.

Coconut and Palm Products: The world market for vegetable oils has remained generally steady over the past three months: copra has moved from £66 at the end of July to £66. 10. 0. at present. Palm oil has changed from £88 to £87 and coconut oil from £92 to £90.

During August the price of vegetable oils weakened a little owing to the United States liquidation of stocks and to increased production from the Philippines. On the other hand demand is increasing owing to low stocks, the failure of the Southern European olive oil crop and reduced whale oil production. The market should remain stable in the near future.

Production of palm oil in Malaya fell from a monthly average of 4,700 tons in the second quarter of 1954 to 4,600 tons in the second quarter of this year: coconut oil production fell from a monthly average of 10,800 tons in the second quarter of 1954 to 8,800 tons in the same period of 1955, while copra production fell from a monthly average of 14,200 tons to 12,000 tons.

Pineapples: The importance of pineapples as a crop and as an industry continues to grow: 141,300 cases of pineapples were produced in April of this year compared with the monthly average production of 91,600 cases in the second quarter of 1954.

Forestry: The improved security appears to have helped the development of the timber industry, which produced a monthly average of 546,000 cubic feet of timber in the second quarter of 1955 compared with 333,000 cubic feet in the equivalent quarter of 1954. The British market may open up soon owing to the suitability of certain types of Malayan wood for use as sleepers with the London Transport Authority. However, the export trade could be damaged by labour unrest amongst sawmill workers.

FOREIGN TRADE

Increasing Exports: Malaya's total trade has increased from M$4,562 million (US$1,520 million) in the first nine months of 1954 to M$6,861 million in the first nine months of 1955. The deficit of M$26 million associated with the return for 1954 has this year been turned into a favourable balance of M$197 million. While January to June of this year showed an increase of exports greater than the increase in imports (compared with the similar period of 1954), figures for the three months of the third quarter indicate that not only have exports increased by about 22 per cent but imports have actually fallen slightly.

MONTHLY AVERAGES (MN. M$)

	3rd Qtr. 1954	3rd Qtr. 1955
Exports	273.0	333.9
Imports	266.0	265.6
Balance	+7.0	+68.3

The small surplus of the third quarter of 1954 has been much increased in 1955, mainly thanks to the rise in rubber and tin prices.

Export Possibilities: The export of tin has increased throughout this year compared to 1954. In particular, exports have risen from 6,064 tons in August of this year to 6,613 tons in September, and as world demand for tin appears to be increasing, there is every likelihood that this export will increase in the next few months, particularly to the United States, which is at present the largest customer, taking, in the first six months of this year, over 60 per cent.

The value of rubber exported in the first six months of this year doubled compared with the same period last year, with all the major consumers participating almost equally. However, it fell off slightly from 86,201 tons in August of this year to 83,214 tons in September, and perhaps part of this fall was due to the system of levying export duties on forward sales of rubber which has just been abolished. Previously the export duty, which is based on the highest grade of sheet rubber whatever the grade sold, has been levied on the market price at the time of shipment. In times of rising rubber prices, as in the past few months, this has discouraged forward trading and therefore exports. However, a new manner of levying export duties has been formulated. From October 1st, contracts for forward sale (of not less than three and not more than 12 equal monthly instalments) can be registered, provided that the first shipment will not take place less than 2 months after registration. Upon registration, the duty will be fixed at the current market price of the highest grade. While prices are rising this system means that forward sales are no longer penalised by higher-than-current export duties: this may encourage exports of rubber.

Good Prospects for Indonesian Trade: Exports to most of the main partners have increased and trade with Indonesia may soon rise again. Mr. Marshall's goodwill mission was followed by a sixteen man trade mission preparatory to a full scale conference to take place in December, and important concessions have been gained.

Owing to Indonesia's import restrictions, Malayan trade with that country had fallen from M$23,600,000 in the first half of 1954 to M$19,400,000 in the first half of 1955. While the mechanics of the concessions have yet to be worked out, Malaya has been assured that discrimination against wide range of imports and particularly textiles will be relaxed. Although Malaya would be faced with Japanese competition in this market, it can reasonably expect to capture part of it.

Although the value of rubber imported from Indonesia increased from M$144,400,000 (US$48 million) in the first half of 1954 to M$227,600,000 in the first half of 1955, the proportion of low grade rubber which Malaya needed for the re-milling industry fell owing to the Indonesian policy of retarding such exports. Thus in the period from January of August of 1954, low grade rubber had formed 33.9 per cent of the total import of rubber into Malaya: in the same period in 1955 this proportion fell to 14.9 per cent of the total. This ban on low grade rubber had caused one quarter of Singapore's mills to close down, resulting in considerable unemployment.

As a result of the discussions the working party was offered assurances that there would be a temporary relaxation of the ban on low quality rubber exports (to come into effect probably at the end of October). In addition there has been an immediate release of 12,000 tons of wet slab rubber for export to Malaya, and the abolition of the 5 per cent export tax on rubber exported from Indonesia.

These new policies should stimulate imports of rubber into Malaya and largely eliminate the unemployment existing in the remilling industry. Furthermore, imports of Indonesian fish and copra should increase: the demand for copra has lately risen and, while Singapore had the facilities to supply this increased demand, the copra shortage prevented this.

Further Import Possibilities: Although the price of rubber and the value of exports have increased, the level of imports has risen rather more slowly. Imports for the first nine months of this year were some 13 per cent above imports in a similar period for 1954. Part of this slow rise in demand will be due to the rubber export duties, which are steeply graduated, and the anti-inflationary cess, which have combined to drain away some of the potential purchasing power. In addition, the prosperity takes time to penetrate to all levels of the population. However, in the last few weeks the National Union of Plantation Workers with a membership of 32,000 have negotiated a rise in wages based upon the price of rubber. The new increases come into force at the end of September and should increase purchasing power further. Examples of the sizeable increases in wages are that tappers formerly earning M$3.15 a day now receive M$4.20, and field labourers who formerly received M$2.20 now earn M$2.75 a day. The demand for household goods and textiles should, then, increase further within the next few months. In addition, increased purchasing power will be diverted to the products of domestic industry so that the demand for imported industrial machinery may well increase.

The rubber export tax and the anti-inflationary cess will increase budget revenue (see next section for greater detail), and this combined with the development plans of both governments which cover housing and the building of new schools and transport will raise the demand for construction goods. The growth of the population alone will require the annual construction of 13,000 houses.

Competition for the Malayan Market: The possibility of a rise in demand for consumer and construction goods and capital equipment is encouraging for British exporters. In the textile field, the United Kingdom has lost ground in the last year: whereas from January to June of 1954 M$19,900,000 of textiles were imported to Malaya from the United Kingdom, this fell in the first half of 1955 to M$18,200,000. The prospects for the future are a little more encouraging: quality goods are appreciated and the increase in purchasing power following the increase in rubber incomes should switch attention to high quality textiles. Competition from the Japanese is increasing and they appear to be embarking on an intensive selling campaign: while M$23,500,000 of Japanese textiles were imported into Malaya in the first six months of last year, this figure has increased to M$63,200,000 in the first half of this year. In spite of this, it is not true to say that the Japanese have flooded the market, as even this present year's high imports of textiles is below the peak reached during the quota period. India's contribution has remained constant over the period.

Malaya increased imports of base metal and manufactures from Japan from M$8,200,000 in the first six months of 1954 to M$20,900,000 in a similar period of this year. The United Kingdom, at the same time, showed a higher absolute contribution of a lower rate of increase from M$30,300,000 to M$32,100,000. The United Kingdom is, however, maintaining its lead in the export of machinery to Malaya, although Germany is entering keen competition—as yet only on a small scale. Thailand has increased its share in the Malayan market with imports of rice.

INTERNAL DEVELOPMENT

There can be no doubt that labour unrest in Singapore discourages new investment and the expansion of industry: it is reported that Hongkong businessmen have, at least for the present, given up and idea of establishing factories in Singapore. The development of new industry is especially important to Singapore to provide future employment for the large numbers at present in school. On the other hand, rising foreign trade is encouraging to the development of industry, and in Malaya there has been an increase in the application for loans from the Rural and Industrial Development Authority which advances loans to start new businesses and expand established ones.

Budgeting Policies of the New Government: Both governments have announced policies which will lead to increased expenditure, and Singapore particularly is committed to a comprehensive programme of social welfare.

The high yield of the rubber export tax has improved the budgetary situation especially for Malaya. This country had budgeted for a revenue of M$627 million and an expenditure of M$775 million for 1955, leaving a deficit of M$148 million. If the price of rubber remains at or above 2/7d for the rest of the year, however, there will be only a small deficit, or even a small surplus. While, in the first half of 1954, revenue stood at M$307 million, this rose in the same period of 1955 to M$374 million, and this increase was due mainly to the rubber export duty. The budget plans for 1956 are not expected to differ greatly from the plans made for the current year as Malaya is unwilling to base estimates on this year's inflated revenues.

It has since been announced that in 1956 Malaya's expenditure will increase by M$46.7 million to M$794 million: most of this increase will be devoted to internal security, defence, public works and the payment of staff (such as teachers, nurses, public works employees).

Singapore has not benefited equally from the increase in rubber exports: an expenditure of M$220 million and a revenue of M$190 million was budgeted for, leaving an estimated deficit of M$30 million. Although receipts from income tax have fallen off, expenditure was over-estimated so that a small deficit of about M$2 million is expected.

Singapore wishes next year to increase expenditures on social services but taxes cannot be increased substantially unless Malaya follows suit. Malaya, however, does not wish to increase taxes, so Singapore may well have to delay expenditure on special projects and cut down expenditure on staff which at present comprises one half of total expenditure. This will be necessary if Singapore wishes to continue with the programme of education which is at present being hard pressed by the rising birth rate and the rising costs of education.

Rubber Re-planting: A scheme, similar to that suggested by the World Bank Report, has been introduced to encourage the replacement of low yield rubber trees. It provides for the subsidised re-planting and new planting of high yield trees of up to 21 per cent of the total rubber acreage in Malaya before the end of 1961, at a maximum government expenditure of M$280 million of which M$168 million will be available to estates and M$112 million to small holders, according to the proportionate shares of these groups in current production. These grants will be financed by export taxes on rubber.

The annual payments to estates will be about one half of the re-planting cost, and it is reported unofficially that estates will receive assistance towards the planting of different crops. At M$400 per acre, the sum available would provide for the re-planting of 420,000 acres.

Some provision had already been made for small holders but by the end of 1954 only 53,000 acres had been re-planted and there was a surplus of M$265 million in the fund put aside for re-planting. The subsidy has been raised and it is hoped that further re-planting will continue, although undoubtedly present high rubber prices discourage this.

Land Valuation: As a preliminary to economic and industrial development, the Chief Minister of Singapore has invited Dr. J. F. N. Murray, the Chancellor of the Australian Land Valuation Board, to devise legislation to enable the freezing of land values, thus ending the inflation which the government claims has prevented the desirable utilization of land.

Cocoa: Hopes for agricultural diversification are raised by the registration of the United Cocoa Development Company (financed by Harrisons and Crosfield and Cadbury Group with the backing of the Colonial Development Corporation). This company is to "acquire lands in Malaya for the purposes of producing cocoa and other products" and while its first capital is only £200,000 this is regarded as a token of the eventual size. Three pilot schemes will start as soon as the state government make land available.

Central Bank: Following the suggestion of the World Bank, there has been much discussion about the foundation of a central bank. The two governments have decided to invite an expert from the Bank of England to make recommendations.

Water Supplies: The Singapore government has begun work on drilling tube wells to maintain normal water supplies in the event of a shortage. The present scheme is in the hands of a British concern: it will cost M$1 million and will produce an additional one million gallons of water a day at first, although later its capacity will be doubled.

Transport and Communications: Malayan Railways have ordered 20 diesel electric locomotives (at a total cost of £1,500,000) in order to improve their services, while Singapore has asked Mr. L. C. Hawkins of the London Transport Executive to investigate how order and planned expansion may best be introduced in public transport.

A new airport at Paya Lebar (with a runway of 8,000 feet) has been opened: there are plans for making Kuala Lumpur's present airport international. Telephone services are being expanded and further discussion is being held on the introduction of television, which is scheduled for completion in two years time. If incomes continue to rise in Malaya and Singapore, there will be a promising market for products of this nature.

BRITISH BORNEO TERRITORIES

Mr. Lennox-Boyd announced that the Colonial Office would give assistance if it were the wish of the three colonies to federate.

North Borneo: There has been very little change in North Borneo's economic position over the last three months: economic activity is expanding gradually. The production of rubber, measured by net exports, increased from a monthly average of 1,500 tons in the first quarter of this year to 1,600 tons in the second quarter. In July of this year, exports were 1,500 tons. These returns show an increase over the first two quarters of 1954 when the monthly average export was 1,300 tons. A re-planting scheme similar to that introduced by Malaya has been announced, but it is too early to comment on its effectiveness. While there are no direct statistics on timber production, it is noticed that exports to Malaya, to the United Kingdom and to Hongkong have fallen.

Improved rubber prices increased the total export value of January 1955 15 per cent over the value for January 1954. The United Kingdom increased its total imports from North Borneo from M$13,100,000 in the first eight months of 1954 to $14,200,000 in the first eight months of 1955. In particular, imports of rubber increased by about 50 per cent between these two periods.

Malaya increased total imports from North Borneo by almost 100 per cent in the first six months compared with the similar period of 1954, and again most of this increased import was rubber.

North Borneo's imports increased in January of 1955 over the corresponding figure for 1954, but they were not yet as high as exports, and the favourable balance of 1954 should be maintained. Imports from the United Kingdom fell off slightly in the first eight months of 1955 compared with a similar period of 1954. There has been a considerable shifting within the commodities provided: foodstuffs and beverages, cotton fabrics and iron and steel goods have all increased to the disadvantage of sugar preparations and electrical machinery and appliances.

Malaya's exports to North Borneo increased from M$18,200,000 in the first six months of 1954 to M$21,000,000 for the same period of 1955, and the greatest increases were in tobacco and tobacco manufactures, petroleum products and textile yarns and manufactures.

Sarawak: Sarawak continues its very modest increase in trade: exports rose slightly from a monthly average of £4,100,000 in the first quarter of 1954 to £4,400,000 in the first quarter of 1955, and most of this increase was due to increased production of petroleum and rubber, combined of course with the higher prices of rubber. In the first eight months of 1955 the United Kingdom decreased its imports from Sarawak a little; the highest decreases in individual commodities occurred in coffee and oilseeds, whilst imports of rubber, wood and petroleum increased. Imports to Malaya increased particularly with regard to rubber, owing to Indonesia's ban on exports, and petroleum products.

Imports to Sarawak appear to have remained constant for 1954 and 1955. Considering the first 8 months of both 1954 and 1955, the United Kingdom's total contribution has not altered greatly although there has been an increase in imports of meat, coffee preparations, chemicals and textiles. On the other hand, imports of clothing and iron and steel have fallen off considerably.

Malayan imports to Sarawak increased from M$38.6 million in the first half of 1954 to M$41.6 million in the same period of 1955. Part of this increase was in clothing, textile yarns and chemicals.

Brunei: Total exports fell slightly from M$68,895,000 in the first quarter of 1954 to M$67,751,000 in the first quarter of 1955, and this fall was almost entirely due to the fall in the value of petroleum exported. The United Kingdom, which is Brunei's most important customer, reduced imports, while Malaya took a larger total owing to higher imports of rubber.

Imports fell slightly from M$26,711,000 in the first quarter of 1954 to M$24,395,000 in the same period of 1955. This was due to falls in purchases of chemicals, iron and steel, and electric machinery and apparatus. Total exports from the United Kingdom for the first eight months of this year have increased considerably over a similar period last year: cereals, chemicals and electrical equipment have particularly increased. Imports from Malaya on the other hand have decreased and the United Kingdom appears to be the most efficient supplier of electrical equipment.

A promising showing of oil which has beeen encountered near the Seria oil-field may stimulate further the demand for machinery and equipment.

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Hongkong's Own Airline

CATHAY PACIFIC AIRWAYS

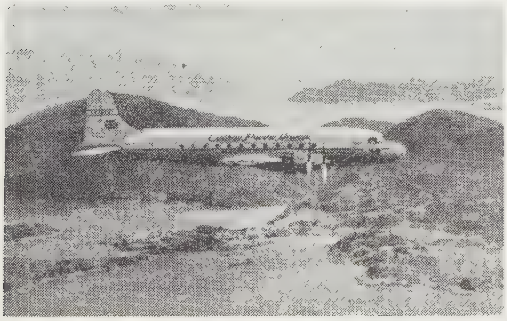
Next year, *Cathay Pacific Airways Limited* will have been operating as an airline for ten years, and from the small beginning initiated in 1946, there has developed a regional airline carrying world-wide recognition and reciprocation, with an excellent record for utilisation and punctuality. The progress that this independent carrier has made reflects credit on the Colony of Hongkong, and on those responsible for its efficient maintenance and operation.

The original Company was formed in 1946 by Roy Farrell and Sydney de Kantzow, who operated DC.3's from Australia to the Far East. The fleet soon built up into seven busy DC.3's operating throughout the Far East. The Company was reorganised in 1948, when Butterfield & Swire, who have nearly a 100 years' experience as a well-known British Shipping and Merchant Company in the Far East, and their associated shipping interests, together with Australian National Airways, secured a majority holding in the Company. The original partners, led by Sydney de Kantzow who remained as General Manager, retained a minority share holding. In 1950, when Mr. de Kantzow retired, his shares and those of the other original partners were taken-over by Butterfield & Swire and their associated interests. In 1954, a further issue of shares was taken-up by John Swire & Sons, Ltd., London, and the China Navigation Co., Ltd., both of whom are associates of Butterfield & Swire; also by the Peninsula & Oriental Steamship Navigation Co.

From 1948, when *Cathay Pacific Airways* was reorganised, up to the end of September, 1955, *Cathay Pacific Airways* had flown a total mileage of 9,180,136; carried 115,220 passengers; 350,608 kilos of mail; and 3,655,712 kilos of cargo. In recent months, as a result of improved equipment and increased services, *Cathay Pacific Airways* have averaged 2,600 passengers per month.

Recent operations, up to 1954, had been carried out by one DC.4 and two DC.3's. On 23rd July, 1954, DC.4 "VR-HEU" was shot down by two Chinese fighter aircraft whilst operating a scheduled service from Bangkok to Hongkong. In October, 1954, *Cathay Pacific Airways*, who had chartered an aircraft during the intermediary period, purchased a DC.4 from Canadian Pacific Airlines, which is now registered "VR-HFF". In December of 1954, *Cathay Pacific Airways* purchased a Douglas DC.6 aircraft from Pan American Grace Airways, and this aircraft was registered "VR-HFG". In August of 1955, *Cathay Pacific Airways* sold one of their DC.3's to Messrs. W. R. Carpenter & Co., Ltd., for the use of Mandated Airlines, New Guinea.

Cathay Pacific Airways now operate with a fleet of one DC.6, one DC.4 and one DC.3. The DC.3 operates on charter flights only, and amongst recent flights has carried labourers from Hongkong to Rabaul, New Guinea, who were destined for work with the British Phosphate Commissioners in the Gillbert & Ellice Islands; and has also operated a series of charters to carry U.S. military personnel on leave from the large U.S. military base in Clark Field, from Manila to Hongkong and return.



DC.4 OVER HONGKONG

DC.6 AT KAI TAK AIRPORT.

In April of 1955, DC.6 "VR-HFG" commenced operating three flights weekly, Hongkong/Singapore and return, two via Bangkok and one via Saigon. These flights had previously been operated by DC.4 "VR-HFF". At the same time, DC.4 "VR-HFF" took-over the operation of one weekly flight, Hongkong/Manila, and one weekly flight, Hongkong/Manila/Labuan; as well as a weekly flight, Hongkong/Bangkok/Rangoon/Calcutta. With the exception of this latter flight all these flights had previously been operated by DC.3 aircraft. Furthermore, in April 1955, *Cathay Pacific Airways* inaugurated an additional weekly flight, Hongkong/Saigon and return, which is operated by DC.4 "VR-HFF".

In July 1955, DC.6 "VR-HFG" commenced operating two weekly flights, Hongkong/Manila and return, in addition to three weekly flights to Singapore and return. At the same time, DC.4 "VR-HFF" reduced her services and ceased to operate one weekly flight, Hongkong/Manila/Hongkong. In October 1955, *Cathay Pacific Airways* announced a new direct flight, Hongkong/Singapore and return. This is a non-stop flight, achieving the voyage between these two important Far Eastern cities in 5 hrs. 55 mins., and is the fastest flight between these ports operated by any carrier. This flight has increased *Cathay Pacific Airways'* services between Hongkong and Singapore to four flights weekly.

In November, 1955, *Cathay Pacific Airways* increased their Calcutta service to two flights weekly, both of which are operated by DC.4 "VR-HFF". As from this date, *Cathay Pacific Airways* operate scheduled services between the following ports with a frequency as given below:

4 Flights weekly — Hongkong/Singapore
4 Flights weekly — Hongkong/Bangkok
4 Flights weekly — Singapore/Hongkong
4 Flights weekly — Bangkok/Hongkong
3 Flights weekly — Hongkong/Manila
3 Flights weekly — Manila/Hongkong
2 Flights weekly — Hongkong/Saigon
2 Flights weekly — Hongkong/Rangoon
2 Flights weekly — Hongkong/Calcutta
2 Flights weekly — Singapore/Bangkok
2 Flights weekly — Saigon/Hongkong
2 Flights weekly — Bangkok/Singapore
2 Flights weekly — Bangkok/Rangoon
2 Flights weekly — Bangkok/Calcutta
2 Flights weekly — Rangoon/Hongkong
2 Flights weekly — Rangoon/Bangkok
2 Flights weekly — Rangoon/Calcutta
2 Flights weekly — Calcutta/Rangoon
2 Flights weekly — Calcutta/Bangkok
2 Flights weekly — Calcutta/Hongkong
1 Flight weekly — Hongkong/Labuan
1 Flight weekly — Singapore/Saigon
1 Flight weekly — Saigon/Singapore
1 Flight weekly — Manila/Labuan
1 Flight weekly — Labuan/Manila
1 Flight weekly — Labuan/Hongkong

Cathay Pacific Airways are now achieving a utilisation of 67 hours per week with their DC.6, and 71 hours per week with their DC.4. This, it will be appreciated, is an excellent utilisation which requires careful control and accurate schedule keeping. This utilisation is achieved largely as a result of the fact that *Cathay Pacific Airways'* engineering facilities are centralised in Hongkong, and all aircraft return to Hongkong, at most, within 30 hours of departure, so that all maintenance checks are done in the same place and by the same men. Furthermore, each aircraft spends 24 continuous hours weekly in the hands of the engineers. This enables *Cathay Pacific Airways* to operate at this high utilisation with no loss of reliability and comfort.

Cathay Pacific Airways DC.6 is a 60-seater aircraft, and has comfortable sleeping bunks available to passengers. This aircraft, in the short period that she has been operating in the Far East, has earned a high reputation for comfort, regularity and speed.

Cathay Pacific Airways' DC.4 "VR-HFF" is a 50-seater aircraft, and is very popular with passengers travelling through the Far East. Together, these aircraft have consistently improved *Cathay Pacific Airways'* reputation for efficient operations, accurate schedule keeping and pleasant service.

This independent operator, operating entirely international scheduled services, is held in very high regard by the public, and their fellow airline operators. *Cathay Pacific Airways* are members of a variety of interline agreements which ensures that, in addition to local passengers travelling throughout the Far East, they share, to a large degree, in the international carriage of passengers who are transferred to them from the large trunk line operators, with whom they have a very close relationship. This is a further indication of the excellent reputation *Cathay Pacific Airways* have in the eyes of the large operators. Furthermore, *Cathay Pacific Airways'* regularity and their high regard of their responsibilities are a source of satisfaction to travellers, mail authorities and shippers of freight throughout the eastern regions.

From: Left to Right—DC.6, DC.4, DC.3 AT KAI TAK AIRPORT.

TIME SCHEDULES

HONGKONG—BANGKOK—SAIGON—SINGAPORE—RANGOON—CALCUTTA

DC-6				DC-4			TABLE No. 1			DC-4			DC-6			
CX 177	CX 729	CX 725	CX 727	CX 035	CX 033	CX 179	ALL TIMES LOCAL			CX 180	CX 034	CX 036	CX 728	CX 726	CX 730	CX 178
Mon.	Tue.	Wed.	Sat.	Tue.	Fri.	Sat.										
1200	1715	1530	1400	1645	1000	1500	dep.	HONGKONG	arr.	1510	1345	0655	1705	1705	0655	1535
....	....	1850	1720	2130	1445	....	arr.	BANGKOK	dep.	....	0700	0001	1145	1145	....	....
				Wed.								Thu.				
....	....	1935	1805	0900	1530	....	dep.	BANGKOK	arr	....	0610	2315	.1100	1100	....	....
1440	....	....	....	....	....	1910	arr.	SAIGON	dep.	0900	....	....	....	....	....	1055
1530	....	....	....	....	....		dep.	SAIGON	arr.	Sun.	....	....	....	....	....	1010
1840	2240	2335	2205	....	....		arr.	SINGAPORE	dep.		....	....	0800	0800	0030	0800
											....	....	Sun.	Thu.	Wed.	Tue.
				1040	1710		arr.	RANGOON	dep.		0330	2035				
				1125	1800		dep.	RANGOON	arr.		0230	1950				
											Sat.					
				1355	2030		arr.	CALCUTTA	dep.		2200	1520				
											Fri.	Wed.				

HONGKONG—MANILA—LABUAN

DC-4	DC-6		TABLE No. 2			DC-6		DC-4
CX 313	CX 315	CX 317	ALL TIMES LOCAL			CX 318	CX 316	CX 314
Mon.	Wed.	Fri.						
0900	0800	1715	dep.	HONGKONG	arr.	1240	1420	1530
1230	1040	1955	arr.	MANILA	dep.	1000	1140	1200
						Sat.	Wed.	
1315			dep.	MANILA	arr.			1115
1700			arr.	LABUAN	dep.			0730
								Tue.

SPECIAL C. P. A. C. N. CO., LTD., AIR/SEA AGREEMENT BETWEEN
HONGKONG, BANGKOK, AND SINGAPORE

HONGKONG/BANGKOK and RETURN, or Vice Versa	HK$ 702
HONGKONG/SINGAPORE and RETURN, or Vice Versa	HK$ 959

Under this arrangement, passengers may travel one way by air and one way by sea.

FARE SCHEDULES OF CATHAY PACIFIC AIRWAYS

PASSENGER FARES

CODES

O—One-Way Fare
R—Return Fare

		HONG KONG		MANILA		SINGAPORE		BANGKOK		RANGOON		CALCUTTA	
Manila	O	HK$ 372	Ps. 128										
	R	669	230										
Singapore	O	HK$ 736	M.$ 395	Ps. 360	M$ 551								
	R	1,324	711	648	992								
Bangkok	O	HK$ 480	US$ 84	Ps. 256	US$ 128	M.$ 223	US$ 72						
	R	864	151	460	230	402	131						
Rangoon	O	HK$ 639	K. 532	Ps. 319	K. 760	M.$ 326	K. 507	US$ 35	K. 170				
	R	1,151	958	574	1368	587	913	63	306				
Calcutta	O	HK$ 882	Rs. 735	Ps. 377	Rs. 899	M.$ 434	Rs. 675	US$ 73	Rs. 350	K. 185	Rs. 185		
	R	1,588	1,323	679	1619	782	1215	132	630	333	333		
Saigon	O	HK$ 483	IC$2,960	Ps. 297	IC$ 5200	M.$ 189	IC$2,160	US$ 168	IC$5,900	K. 821	IC$ 6030	Rs. 1,136	IC$8,350
	R	870	5,328	534	9360	341	3,888	303	10,620	1478	10854	2,045	15,030
Labuan	O	HK$ 704	St.$ 377	Ps. 139	St.$ 216								
	R	1267	679	249	389								
Jesselton	O	HK$ 742	St.$ 397	Ps. 152	St.$ 236								
	R	1342	719	275	429								
Sandakan	O	HK$ 816	St.$ 437	Ps. 178	St.$ 276								
	R	1491	799	327	509								

THIRTY-DAY EXCURSION FARES:

Hongkong/Singapore and Return, or Vice Versa	HK.$1,168	M.$ 626
Hongkong/Labuan and Return, or Vice Versa	HK.$ 960	St.$ 515
Hongkong/Jesselton and Return, or Vice Versa	HK.$1,035	St.$ 555
Hongkong/Sandakan and Return, or Vice Versa	HK.$1,184	St.$ 635

FREIGHT RATES

CODES

A — Rate per kilo for shipments under 45 Kilos.
B — Rate per kilo for shipments over 45 Kilos.

		HONGKONG		MANILA		SINGAPORE		BANGKOK		RANGOON	
Manila	A	HK$ 3.40	Ps. 1.16								
	B	2.50	0.86								
Singapore	A	HK$ 4.40	M.$ 2.35	Ps. 2.20	M.$ 3.30						
	B	3.30	1.75	1.70	2.50						
Bangkok	A	HK$ 3.00	Tcs. 10.00	Ps. 1.60	Tcs. 14.00	M.$ 1.25	Tcs. 6.00				
	B	2.25	7.50	1.20	10.50	0.94	4.50				
Rangoon	A	HK$ 3.15	K. 2.65	Ps. 2.20	K. 5.19	M.$ 1.90	K. 3.06	Tcs. 3.00	K. 1.35		
	B	2.30	1.98	1.70	3.88	1.45	2.31	2.25	1.00		
Calcutta	A	HK$ 4.10	Rs. 3/10/-	Ps. 2.35	Rs. 5/10/-	M.$ 2.65	Rs. 4/-/-	Tcs. 6.00	Rs. 2/-/-	K. 1.00	Rs. 1/-/-
	B	3.10	2/14/-	1.75	4/4/-	2.00	3/-/-	4.50	1/8/-	0.75	0/12/-
Saigon	A	HK$ 4.90	IC$ 29.80	Ps. 2.40	IC$ 41.00	M.$ 1.70	IC$ 19.20				
	B	3.65	22.40	1.80	31.00	1.30	14.40				
Labuan	A	HK$ 3.80	St.$ 2.00	Ps. 0.80	St.$ 1.20						
	B	2.85	1.50	0.60	0.90						

MINIMUM CHARGE: Minimum Charge For Freight is 1½ kilos at Code A Rate.

MAGAZINES AND NEWSPAPERS: Magazines and Newspapers carried at 50% of Code A rate with no quantity discount.

Hongkong's Trade for November and for January-November, 1955

There was a considerable improvement in trade during November. According to the Director of Commerce and Industry, the total value at $586.9 million was the highest since June 1953 and exceeded that for the previous month by $48.9 million. Imports at $341.2 million exceeded the preceding month by $26.8 million, and were $40.3 million more than in November 1954. Exports at $245.7 million were $22.1 million higher than the preceding month, and $29.1 million over November last year. A sizeable amount of cargo passed through here in November on through bills from China. It included wood oil, hats, walnuts, eggs, sewing machines, vacuum flasks, pressure lamps, fountain pens, pencils, blankets, thread, galvanised barbed and plain wire, sodium sulphide, window glass, paper, flourescent tubes, toilet goods, silk and cotton piece goods, shirts, sheetings, paints, hardware, glycerine, electric fans, plywood, weighing machines, flashlights, batteries, phenol crystals, fibre board and electrical fittings. One ship passed through here on November 15, carrying 1,855 tons of mild steel bars and 4,000 tons of soda ash all on through bills of lading to Madras. The total value of the Colony's trade from January to November 1955 was $5,657.6 million, an increase of 6.7% over that for the same period last year, with imports up by 8.7% and exports by 3.9% Trade figures for the first eleven months of 1955 and of 1954 show the following major changes:—

BRITISH COMMONWEALTH

Trade with U.K. registered an overall increase of $131.0 million, with imports up by $50.8 million and exports by $80.2 million. The rise in imports was attributable mainly to increased shipments of textile fibres, transport equipment, base metals and non-electrical machinery. Exports of textile yarns and piece-goods increased in value by $47.7 million; clothing by $26.9 million; and footwear by $10.3 million. Imports from Malaya were lower by $6.9 million, but exports increased by $47.6 million. Principal commodities responsible for the rise in exports were textile yarns and piece-goods, clothing, fruits and vegetables, and manufactures of metals, up by $10.7 million, $9.1 million, $5.2 million and $4.4 million respectively. Imports from Pakistan dropped by $7.7 million, due almost entirely to reduced imports of textile fibres. Exports also showed a reduction in value of $9.2 million, the principal items concerned were textile yarns and piece-goods. Imports of textile fibres from India increased by $26.7 million. Exports to British West Africa increased by $12.8 million; $6.9 million of which was accounted for by clothing.

EAST ASIA

Imports from China rose by $201.3 million, but exports declined by $185.7 million. Principal items responsible for the rise in imports were textile yarns and piece-goods, live animals, cereals and cereal preparations, fish, oil seeds and oil nuts, paper and paper manufactures, animal and vegetable oils, and miscellaneous manufactured articles. Exports of fertilizers dropped by $61.0 million; dyeing and tanning materials by $56.0 million; medicinal and pharmaceutical products by $43.3 million; and chemical elements and compounds by $8.3 million. Both imports from Japan and exports to that country were higher. The increase in imports of $64.2 million was attributable mainly to increased imports of textile yarns and piece-goods, up by $34.8 million; base metals by $13.6 million; paper and paper manufactures by $8.3 million; and sugar by $8.1 million. Imports of non-electrical machinery, however, fell in value by $8.8 million. The principal commodities responsible for the increase of $28.3 million in exports were cereals and cereal preparations, inedible animal and vegetable crude materials, and ores and metal scraps. Imports from Thailand increased by $47.1 million, mainly due to larger shipments of rice. Exports to Indonesia were reduced by $57.4 million, with textile yarns and piece-goods down by $23.1 million and clothing by $17.8 million. Imports also registered a decline of $2.2 million. Exports to Indochina amounted to $107.2 million, showing an increase of $62.0 million mainly due to increased export of textile yarns, piece-goods and non-electrical machinery.

UNITED STATES OF AMERICA

Trade with U.S. increased both in imports and exports. Imports improved by $38.5 million, with textile yarns and piece-goods up by $23.2 million; paper and paper manufactures by $6.0 million; non-electrical machinery by $4.6 million; and base metals by $4.0 million. Exports increased by $17.0 million.

EUROPE

Imports of fertilizers from Belgium were dropped in value by $54.0 million, and dyeing and tanning materials from Western Germany by $18.6 million. Exports to Europe showed only minor changes.

EXPORTS OF HONGKONG PRODUCTS

The value of Hongkong products exported during November totalled $65.1 million, higher by $3.1 million than that for the previous month. Compared with the total for November, 1954, there was an increase of 8.3%. The November, 1955 figure amounted to 26.5% of the Colony's total value of exports. A comparison of the totals for the first eleven months of 1954 and 1955 showed an increase in 1955 of $35.3 million or 5.6%. The United Kingdom, increasing her purchases to the value of $12.4 million in November, continued to head the list of buyers. Malaya, with total purchases of $95.1 million, remained in the second place, and Indonesia the third. Further improvement was recorded for Indochina, which bought Hongkong products valued at $26.6 million this year as compared with $6.1 million for last year. Korea, however, reduced her purchases by 64%.

The following figures illustrate the trend in the export of H.K. products during the first eleven months of 1955 with comparative figures for 1954:

	1955	1954
January	$ 55,520,827	$ 53,692,991
February	55,746,108	47,695,663
March	61,586,838	64,614,879
April	54,424,205	57,821,223
May	59,828,499	63,673,029
June	56,898,741	53,546,626
July	58,888,585	59,150,276
August	67,123,882	57,580,365
September	66,557,071	56,168,844
October	61,959,801	54,243,029
November	65,058,015	60,095,338
Total	$663,592,572	$628,282,263

CERTIFICATES OF ORIGIN

Certificates of Origin of all kinds and Imperial Preference Certificates issued during the month reached a record total of 21,975 and covered goods to the declared value of $61,776,959.

STRATEGIC COMMODITIES

The number of import licences put in for strategic commodities totalled 2,344 in November. Import licences granted for strategic commodities from China included 200 tons of galvanised iron wire and three tons of asbestos products. Strategic commodities licensed for import from Macao included electrolytic capacitators, ball and roller bearings, rubber tyres, galvanised iron fittings, 180 tons of iron and steel scrap and motor vehicle spare parts. Imports of edible rice during November totalled 13,377 tons, bringing to 222,192 tons the total imports since January 1, 1955, as follows:

Source	November 1955	January to November, 1955
Thailand	6,133 tons	149,045 tons
Burma	3,314 „	31,641 „
Indochina	— „	3,695 „
Pakistan	400 „	400 „
China	3,530 „	37,411 „
Total	13,377 tons	222,192 tons

Offtakes in November totalled 20,622 tons, giving a total of 210,410 tons for the first eleven months of this year. Local prices were reduced at the end of November following the announcement of a further five per cent optional addition to import quotas for the current quarter. The existing restrictions on the importation of coal were maintained during November but importers were notified towards the end of the month that all controls would be lifted with effect from December 1.

IMPORTS, BY COUNTRIES

Country	November, 1955	Jan./Nov. 1955	Jan./Nov. 1954
Merchandise	HK$	HK$	HK$
Africa, Central (British)	161,125	1,397,407	6,365,444
Africa, East (British)	7,137,232	39,511,095	32,523,660
Africa, South	1,969,022	24,422,777	27,602,792
African Countries, Other	21,630	6,519,716	10,099,326
America, Central	46,463	12,986,809	10,662,309
America, South (excluding Argentina and Brazil)	--	223,837	689,313
Argentina	42,088	4,288,228	5,876,200
Asian Countries, Central	—	1,155,390	794,013
Australia	8,098,962	72,824,935	58,561,749
Austria	2,090,532	11,389,791	9,667,213
Belgium	12,185,746	89,753,265	131,954,612
Borneo, North	3,315,076	37,684,730	27,771,414
Brazil	1,252,124	14,636,399	94,941,767
British Commonwealth, Other	9,136	386,842	418,301
Burma	2,807,483	31,013,303	6,619,609
Canada	3,962,445	42,562,696	51,175,553
Ceylon	626,264	4,696,285	4,446,277
China	91,157,049	799,184,642	597,928,072
Denmark	571,609	5,630,608	6,463,589
Egypt	396,789	2,011,802	14,785,318
Europe, Eastern	1,106,203	10,440,701	19,260,372
European Countries, Other	333,952	4,778,908	3,982,920
Finland	134,570	3,483,312	2,049,836
Formosa	3,398,753	36,461,309	42,171,979
France	1,923,696	26,534,107	30,028,990
Germany (Western)	6,637,208	118,101,689	135,556,193
India	13,807,265	75,256,216	48,426,616
Indochina	3,467,827	25,596,128	20,883,457
Indonesia	3,783,583	27,863,260	30,100,602
Italy	3,612,299	33,198,358	28,851,718
Japan	44,764,561	472,632,797	408,425,005
Korea	1,867,271	9,146,555	9,756,760
Macao	3,002,415	50,312,272	57,043,060
Malaya	15,296,005	140,946,964	147,869,171
Middle and Near East Countries	491,254	24,378,685	12,342,520
Netherlands	5,133,028	57,905,993	77,341,277
New Zealand	1,024,456	1,732,498	1,646,707
Norway	434,035	5,504,495	9,567,286
Oceania, British	—	1,019,816	261,300
Oceania, United States	141,437	1,029,771	1,443,436
Oceania, n.e.s.	13,643	155,863	191,197
Pakistan	2,834,305	50,335,585	58,027,736
Philippines	824,540	7,389,819	8,383,531
Sweden	2,210,446	18,781,458	17,894,061
Switzerland	9,754,789	89,317,453	93,710,854
Thailand	13,345,750	168,690,026	121,556,391
Turkey		2,450	5,240
United Kingdom	40,240,988	402,550,981	351,786,558
U.S.A:	25,552,984	300,760,715	262,253,477
U.S.S.R.	251,500	2,188,264	107,200
West Indies, British	23,948	195,695	71,589
Total Merchandise	341,263,486	3,368,972,700	3,100,343,570
Total gold and specie	40,119,451	364,362,957	301,071,362
Grand Total	381,382,937	3,733,335,657	3,401,414,932

EXPORTS, BY COUNTRIES

Country	November, 1955	Jan./Nov. 1955	Jan./Nov. 1954
Merchandise	HK$	HK$	HK$
Africa, Central (British)	1,218,063	15,176,942	14,010,051
Africa, East (British)	3,996,970	34,460,776	37,079,959
Africa, South	2,034,398	22,396,021	23,293,610
Africa, West (British)	4,749,060	49,157,607	36,330,752
African Countries, Other	5,411,588	51,401,087	44,087,505
America, Central	1,700,952	19,395,035	20,469,412
America, South (excluding Argentina and Brazil)	1,728,623	17,613,944	16,126,919
Argentina	—	308,010	400,096
Asian Countries, Central	67,185	481,104	1,418,312
Australia	4,975,296	49,202,316	43,470,533
Austria	—	54,195	17,734
Belgium	772,533	9,140,868	5,921,872
Borneo, North	2,682,843	26,006,864	22,010,401
Brazil	66,772	156,004	130,221
British Commonwealth, Other	2,008,452	23,869,609	20,359,091
Burma	850,115	24,071,358	37,044,929
Canada	2,074,233	26,688,157	18,505,875
Ceylon	1,942,585	12,129,823	12,270,324
China	10,260,838	167,664,438	353,404,421
Denmark	238,664	5,513,363	6,484,449
Egypt	188,362	2,992,922	1,889,966
European Countries, Other	227,128	1,697,643	1,244,446
Finland	4,300	13,732	—
Formosa	3,702,630	32,809,651	75,950,053
France	2,127,440	17,163,785	13,318,436
Germany (Western)	2,723,921	29,933,696	20,437,284
India	1,598,400	19,617,513	19,099,375
Indochina	18,793,581	107,184,362	45,234,056
Indonesia	20,971,303	157,930,565	215,327,459
Italy	634,800	6,062,697	3,812,609
Japan	17,883,196	131,409,926	103,142,316
Korea	25,250,450	177,293,098	148,478,239
Macao	5,548,903	52,625,129	59,456,170
Malaya	31,715,773	345,311,734	297,760,270
Middle and Near East Countries	2,705,597	25,559,224	16,052,491
Netherlands	1,456,689	17,830,741	10,540,385
New Zealand	1,060,570	14,577,413	7,948,329
Norway	368,981	3,773,003	4,251,193
Oceania, British	331,136	5,271,808	5,876,612
Oceania, United States	3,335,710	27,579,301	20,838,535
Oceania, n.e.s.	511,737	7,848,126	4,821,938
Pakistan	546,987	4,525,144	13,728,595
Philippines	2,694,073	49,291,092	46,815,625
Sweden	482,603	5,238,604	3,922,810
Switzerland	457,965	3,756,578	3,007,244
Thailand	19,022,088	160,397,847	120,847,120
Turkey	66,853	306,712	530,494
United Kingdom	24,187,408	227,997,537	147,751,919
U.S.A.	9,018,042	79,268,136	62,240,199
U.S.S.R.	—	—	-
West Indies, British	1,274,970	18,155,481	15,474,464
Total Merchandise	245,670,766	2,288,670,721	2,202,635,098
Total gold and specie	34,154,644	350,121,340	299,686,402
Grand Total	279,825,410	2,638,792,061	2,502,321,500

IMPORTS, BY DIVISIONS

Division	November, 1955 HK$	Jan./Nov. 1955 HK$	Jan./Nov. 1954 HK$
Live animals	17,836,037	167,069,188	137,173,062
Meat and meat preparations	4,305,493	27,304,019	28,296,350
Dairy products	6,920,854	70,947,250	79,301,703
Fish and fish preparations	7,247,178	66,403,451	53,073,008
Cereals	20,318,482	226,770,861	136,388,378
Fruits and vegetables	17,020,434	182,875,788	177,556,689
Sugar and sugar preparations	5,475,927	61,420,295	62,969,177
Coffee, tea, cocoa and spices	6,318,801	50,772,880	51,260,318
Feeding stuffs for animals	330,994	2,895,780	4,766,485
Miscellaneous food preparations	2,689,482	22,439,032	19,554,076
Beverages	2,291,541	22,534,819	20,328,891
Tobacco and tobacco manufactures	5,627,051	50,849,922	48,810,927
Hides, skins and fur skins, undressed	964,219	9,228,828	10,595,385
Oil seeds and oil nuts	4,542,883	46,478,443	52,641,815
Crude rubber, including synthetic	2,910,826	20,975,442	12,861,025
Wood, lumber and cork	5,104,325	59,763,570	50,234,107
Pulp and waste paper	425,670	3,578,770	3,926,409
Textile fibres and waste	21,800,558	208,278,555	226,670,085
Crude fertilizers and crude minerals	701,880	8,513,180	7,408,211
Ores and metal scrap	1,344,514	9,278,666	5,360,078
Animal and vegetable crude materials	14,831,292	137,104,526	131,526,787
Mineral fuels	13,437,048	129,524,228	115,357,492
Animal and vegetable oils	6,444,946	50,682,678	46,944,256
Chemical elements and compounds	2,896,241	48,210,355	52,334,006
Mineral tar and crude chemicals	2,453	321,330	41,349
Dyeing, tanning and colouring materials	4,300,536	79,170,522	111,418,398
Medicinal and pharmaceutical products	3,077,490	43,453,958	77,754,182
Perfumes and cleansing preparations	3,701,745	38,828,363	31,241,669
Fertilizers, manufactured	7,209,919	53,723,702	108,135,384
Explosives and chemicals	3,531,835	42,445,894	46,298,619
Leather, leather goods and furs	1,231,988	17,122,080	17,749,541
Rubber manufactures	1,884,421	8,849,487	6,131,317
Wood and cork manufactures	1,052,617	9,902,911	9,010,275
Paper, paperboard and manufactures	11,203,048	109,631,412	90,534,605
Textile yarn, fabrics and made-up articles	61,585,891	594,930,240	501,783,659
Non-metallic mineral manufactures	6,047,828	58,482,231	49,783,649
Silver, platinum, gems and jewellery	7,521,716	62,982,581	36,673,242
Base metals	9,147,851	109,970,114	81,612,771
Manufactures of metals	3,636,985	39,850,507	25,624,387
Machinery other than electric	7,384,117	73,668,741	68,905,401
Electric machinery and appliances	6,185,836	50,777,793	45,537,297
Transport equipment	4,954,703	65,127,385	43,633,437
Prefabricated buildings; plumbing, heating and lighting fittings	1,171,475	9,149,143	5,362,507
Furniture and fixtures	398,162	2,778,427	2,764,213
Travel goods	273,505	1,883,184	1,280,598
Clothing	2,769,719	30,788,486	27,181,733
Footwear	282,965	2,729,263	2,823,678
Scientific instruments; photographic and optical goods; watches and clocks	12,465,597	101,785,049	110,101,839
Miscellaneous manufactured articles	8,432,791	76,369,017	63,237,594
Live animals, not for food	21,617	350,804	383,506
Total Merchandise	341,263,486	3,368,972,700	3,100,343,570
Total gold and specie	40,119,451	364,362,957	301,071,362
Grand Total	381,382,937	3,733,335,657	3,401,414,932

EXPORTS, BY DIVISIONS

Division	November, 1955 HK$	Jan./Nov. 1955 HK$	Jan./Nov. 1954 HK$
Live animals	11,115	274,919	628,998
Meat and meat preparations	1,035,312	8,346,789	7,215,985
Dairy products	1,196,010	11,743,126	22,531,082
Fish and fish preparations	2,252,289	19,322,979	16,542,349
Cereals	6,561,795	33,635,658	17,982,799
Fruits and vegetables	9,291,772	111,155,898	118,477,717
Sugar and sugar preparations	4,841,207	35,029,186	37,573,308
Coffee, tea, cocoa and spices	2,553,339	29,204,731	39,992,622
Feeding stuffs for animals	115,807	1,541,979	2,260,688
Miscellaneous food preparations	2,944,572	25,112,809	23,687,514
Beverages	1,181,369	9,290,366	9,645,372
Tobacco and tobacco manufactures	729,653	7,310,049	9,143,536
Hides, skins and fur skins, undressed	1,460,811	8,496,392	9,674,693
Oil seeds and oil nuts	3,718,715	33,755,867	38,538,508
Crude rubber, including synthetic	80,696	104,338	17,599
Wood, lumber and cork	442,156	7,069,690	6,150,592
Pulp and waste paper	134,889	2,907,304	3,994,673
Textile fibres and waste	2,777,745	38,674,931	32,148,619
Crude fertilizers and crude minerals	366,444	4,028,552	4,734,128
Ores and metal scrap	3,134,575	28,295,364	13,138,414
Animal and vegetable crude materials	11,545,256	123,609,126	128,585,147
Mineral fuels	373,586	3,139,665	3,143,445
Animal and vegetable oils	3,399,177	21,682,975	18,224,470
Chemical elements and compounds	1,576,079	26,227,683	36,745,315
Mineral tar and crude chemicals	2,547	19,927	16,698
Dyeing, tanning and colouring materials	4,424,491	72,482,704	130,261,931
Medicinal and pharmaceutical products	3,660,499	49,283,925	102,163,003
Perfumes and cleansing preparations	3,001,081	27,288,060	21,556,796
Fertilizers, manufactured	5,415,361	51,550,862	107,139,684
Explosives and chemicals	1,188,279	17,669,489	23,651,187
Leather, leather goods and furs	167,689	2,333,049	4,419,107
Rubber manufactures	1,790,163	3,735,437	2,262,207
Wood and cork manufactures	190,262	3,644,137	2,474,929
Paper, paperboard and manufactures	7,866,151	61,883,280	48,811,648
Textile yarn, fabrics and made-up articles	63,308,110	544,099,526	449,521,933
Non-metallic mineral manufactures	2,686,663	28,851,891	22,978,967
Silver, platinum, gems and jewellery	2,560,299	26,944,067	17,698,738
Base metals	1,801,404	21,164,734	10,860,222
Manufactures of metals	10,871,460	92,077,057	78,489,499
Machinery other than electric	3,102,522	30,541,183	31,055,606
Electric machinery and appliances	2,784,099	24,622,798	23,254,702
Transport equipment	951,284	16,067,042	11,785,999
Prefabricated buildings; plumbing, heating and lighting fittings	7,153,934	63,861,624	54,812,073
Furniture and fixtures	2,908,049	28,173,587	21,385,050
Travel goods	1,298,606	12,672,350	10,028,645
Clothing	33,728,041	299,370,664	243,857,383
Footwear	6,822,102	72,073,691	56,077,762
Scientific instruments; photographic and optical goods; watches and clocks	3,354,617	26,089,806	26,626,904
Miscellaneous manufactured articles	12,881,395	121,875,226	100,462,877
Live animals, not for food	27,289	334,229	203,975
Total Merchandise	215,670,766	2,288,670,721	2,202,635,098
Total gold and specie	34,154,644	350,121,340	299,686,402
Grand Total	279,825,410	2,638,792,061	2,502,321,500

HONGKONG PRODUCTS

EXPORTS, BY COUNTRIES

Country	November, 1955	Jan./Nov. 1955	Jan./Nov. 1954
	HK$	HK$	HK$
Africa, Central (British)	349,187	6,992,444	8,544,219
Africa, East (British)	2,424,509	20,228,126	21,816,769
Africa, South	1,506,447	13,860,481	17,875,350
Africa, West (British)	3,133,125	29,631,969	24,526,995
African Countries, Other	2,886,669	24,772,708	21,485,705
America, Central	783,046	9,174,173	8,653,043
America, South (excluding Argentina and Brazil)	986,805	10,049,670	10,139,386
Argentina	—	76,586	2,480
Asian Countries, Central	62,298	219,126	119,458
Australia	1,597,240	16,409,404	14,042,997
Austria	—	1,800	1,050
Belgium	104,999	1,358,247	1,304,087
Borneo, North	677,447	8,305,178	5,884,072
Brazil	—	—	7,200
British Commonwealth, Other	881,449	11,142,223	9,538,693
Burma	72,541	11,846,475	17,980,922
Canada	858,340	9,218,940	4,491,760
Ceylon	698,079	5,101,681	5,310,308
China	8	42,084	721,018
Denmark	30,222	1,152,615	1,657,437
Egypt	35,330	458,673	161,863
European Countries, Other	33,202	393,539	223,837
Formosa	65,777	648,661	1,710,575
France	325	903,742	844,368
Germany (Western)	40,265	1,280,214	412,440
India	477,397	6,935,742	4,894,973
Indochina	6,968,147	26,560,786	6,136,461
Indonesia	8,923,952	76,642,169	151,086,689
Italy	67,841	580,812	650,203
Japan	230,471	5,062,231	4,486,744
Korea	1,019,798	11,501,633	32,198,567
Macao	464,245	5,678,401	3,827,306
Malaya	7,331,983	95,066,037	66,726,765
Middle and Near East Countries	858,483	9,006,919	5,598,597
Netherlands	95,001	1,563,393	792,919
New Zealand	347,323	6,235,779	2,562,465
Norway	16,559	393,180	359,079
Oceania, British	127,902	2,329,153	3,020,294
Oceania, United States	85,126	2,129,423	11,303,063
Oceania, n.e.s.	351,083	2,669,562	2,787,248
Pakistan	205,780	3,289,149	2,028,812
Philippines	967,344	17,280,805	20,250,623
Sweden	128,047	1,654,749	1,145,558
Switzerland	18,078	339,741	271,501
Thailand	4,513,471	56,919,573	46,615,872
Turkey	16,400	37,164	43,419
United Kingdom	12,399,885	125,675,361	66,922,468
U.S.A.	1,642,188	13,924,786	9,237,640
West Indies, British	574,201	8,847,265	7,878,965
Total	65,058,015	663,592,572	628,282,263

EXPORTS, BY COMMODITIES

Commodity	November, 1955	Jan./Nov. 1955	Jan./Nov. 1954
	HK$	HK$	HK$
Fish in airtight containers	198.806	1,395,579	1,191,658
Fruits, preserved	1,364,306	12,442,432	9,736,944
Jams and fruit jellies	256	12,391	18,878
Fruit juices, unfermented	14,879	182,009	121,985
Non-alcoholic beverages	42,540	725,494	1,673,391
Beer	252	10,848	47,952
Cigarettes	70,841	608,374	711,217
Iron ore	184,250	3,820,364	3,378,841
Tungsten ore	—	198,175	166,909
Seagrass	14,527	127,878	185,342
Lacquers and varnishes	218,031	2,250,323	2,752,505
Paints, enamels, and mastics	717,965	8,779,371	8,374,560
Cotton yarns	7,892,333	91,549,618	90,804,775
Cotton piece goods	15,658,271	167,821,169	167,786,335
Towels, not embroidered	1,409,256	11,741,321	7,953,966
Linen, embroidered	584,583	7,894,061	6,495,703
Cement	870,551	5,736,735	4,051,075
Iron and steel bars	730,474	7,889,765	901,633
Household utensils, enamelled	5,782,849	51,384,428	55,475,730
Household utensils, aluminium	1,472,007	8,278,595	4,179,151
Torch batteries	947,142	9,474,871	7,867,309
Torch bulbs	586,615	5,227,887	3,961,731
Electric torches	4,257,366	45,539,680	41,156,220
Lanterns, metal	1,955,409	11,881,271	8,698,041
Cotton singlets	5,414,471	52,306,624	62,843,577
Underwear and nightwear, embroidered	228,232	2,427,686	2,591,777
Shirts	6,026,915	60,494,938	59,032,259
Outerwear, embroidered	571,778	6,631,838	6,135,132
Articles of clothing (e.g., handkerchiefs, shawls, etc.), embroidered, n.e.s.	462,323	3,506,826	2,354,337
Footwear	5,875,366	66,917,392	52,686,928
Matches	131,970	2,048,194	2,118,108
Plastic articles	678,081	7,179,643	7,079,711
Vacuum flasks, complete	695,370	7,106,792	5,748,583
Total	65,058,015	663,592,572	628,282,263

Hongkong Notes and Reports

Seizure of Opium; More Star Ferries; New Schools; 26-storey Hotel Building; New Chartered Bank Bldg., New Luxurious Apartments; Sookunpoo Stadium; Resettlement of Squatters; H.K. Realty Trust; Investment in Stock Exchange; Agricultural Show; Shipping; Aviation.

SEIZURE OF OPIUM

After a week of continuous search, a large cache of opium, amounting to 250 lbs., was discovered by a combined Police and Preventive Service party on board the s.s. "Danakil" early this month. The opium was concealed under thick steel plating in the ship's structure. The "Danakil" is on the Thailand-Hongkong-Japan run. The total value of the drugs seized is about $250,000. This seizure brings the quantity of opium seized from ships and aircraft entering Hongkong since the beginning of this year to over 1,300 pounds. The value involved is well over $1 million. These totals do not include seizures of considerable quantities of morphine and heroin.

MORE STAR FERRIES

Two new ferries, Celestial Star and Radiant Star, built by the Hongkong & Whampoa Dock Company for the Star Ferry Company, were launched early this month. At the reception held after the ceremony, Mr. John Keswick, Chairman of Hongkong & Whampoa Dock Co., said inter alia: This is the first occasion since 1945 that two vessels are launched on the same day. It was on August 31 of last year that the Oriental Star was launched. The association between the Star Ferry Co. and the Hongkong & Whampoa Dock Co. goes back to the year 1899 when the first order was placed by the then newly formed Star Ferry Company for two new ferries. With the two new ships, 14 Star ferries have been built by Kowloon Docks.

The Star Ferry Company is now carrying a total of approximately 35 million people per annum across the harbour. Let us hear the realistic rat-tat-tat of the riveter on the hulls of more and more new ferries, both passenger and vehicular, in the shipyards of Hongkong. Government is now carrying out at considerable cost the building of the new Star Ferry piers. When this project is completed and when new vehicular ferries are allowed from the region of Hunghom to North Point, the public will be fully served. It is a pity that the project of this second vehicular ferry is presumably being held up while a decision is reached regarding the fate of the tunnel.

Mr. H. D. M. Barton, Chairman of the Star Ferry Co., stated that according to the original plan, another two new vessels would be constructed next year (1956) and another in 1957 but this had to be deferred until definite information on Government's intentions regarding the cross-harbour tunnel could be obtained. The two new vessels launched are similar to the Oriental Star but have further improvements in design and their propulsion machinery is different. The main propelling machinery for each vessel consists of a Crossley type H.R.N. 6/34 uni-directional, 2-stroke cycle marine diesel engine, having a continuous rating of 479 B.H.P. at 340 r.p.m., and complete with clutches fitted at the forward and after ends of the engine for driving the respective propellers.

Government is also planning to start a passenger ferry service between Shaukiwan, Rennie's Mill, Yuen Chau, and Hang Hau. The ferry service will be conducted between the hours of 6 a.m. and 10 p.m., daily. Passenger fares will be: Shaukiwan/Rennie's Mill — 30 cents; Shaukiwan/Yuen Chau — 40 cents; Shaukiwan/Hang Hau — 40 cents; Rennie's Mill/Yuen Chau—30 cents; Rennie's Mill/Hang Hau—30 cents; and Yuen Chau/Hang Hau—30 cents. Government is now inviting tenders for the running of the new service for 3 years beginning February next year.

NEW SCHOOLS

In 1953, the Principal of the Hongkong Technical College, Mr. S. J. G. Burt, appealed to local manufacturers for more co-operation in offering employment to his students. Last month Mr. Burt reported that the College was unable to keep up with the demand from local employers. He further stated that all the students who had passed through the College between 1937 and 1955 were in employment appropriate to the courses they followed. Due to the industrialisation of Hongkong, enrolment at the College has shown such an increase during the past years that the present Technical College building is not only too small but unsuited to the work of a large Technical College. The Hongkong Technical College was built in 1936 by Government in cooperation with the Building Contractors Association. The Chinese Manufacturers' Union is now raising $1 million for the building of a new $6 million Technical College in Kowloon. Government will provide the site of the new building. The project will begin as soon as the first $1 million is raised.

The Building Contractors Association is erecting a new school at Causeway Bay for children of its members. It will be an ordinary primary school with a certain stress on the teaching of handicrafts. The site covers an area of 70,000 square feet and the L-shaped building will have 4 storeys. The 12 primary classrooms and the kindergarten will accommodate 585 pupils. Provision has been made for the extension of the building to accommodate an additional 800 students. The site formation will cost about $200,000 and the building $500,000. The project will be completed by September next year.

The construction of the new Chung Sing Free School at Kennedy Town was started recently after 5 years of preparation. Since 1950, the free schools maintained by the Chung Sing Benevolent Society were unable to cope with the number of poor children who wanted education and a campaign for raising funds for a new school was launched. In February 1954, Government granted the Society a piece of land in Kennedy Town and this year granted $150,000 being half of the construction fees, as well as $21,500 furnishing costs. The new building will be completed early next year and will contain 12 classrooms to accommodate 1,600 students. The Society has already raised $130,000; with the Government grants, there is still a deficit of approximately $64,000 which the Society must raise to cover the entire cost.

Government has earmarked a site of 4,900 square feet in Causeway Bay for a School for the Deaf to be built by the Rotary Club of Hongkong Island East. Two storeys will be built immediately and the other two top floors added during the next few years. The total construction cost is about $200,000. A Charity Ball was held early this month to raise the fund. The Chuk Yuen Primary School and Community Centre at the Chuk Yuen Resettlement Area Kowloon was opened last week. Government has granted a subsidy of $110,000 for the building of the school. About 3,000 families are living in this district with nearly 2,000 children. This new school can accommodate over 1,000 students.

26-STOREY HOTEL BUILDING

Hongkong will soon have a 26-storey hotel on the site comprising the present Butterfield and Swire building and the adjacent lot formerly occupied by the Oriental Building. Arrangements for the sale of the Butterfield and Swire building were completed early this month at a price of over $8 million. The buyers are an international hotel syndicate. They have commissioned Mr. Eric Cumine to design the $22 million new building. Apart from being one of the biggest building development projects in Hongkong's history, the scheme will provide the Colony with much needed hotel accommodation which at present is inadequate to cope with the growing tourist trade. Construction of the new building will be in two stages. Work on the Oriental Building part of the site, now cleared, will start in about six months. When this is completed, Butterfield and Swire and their associated companies will move into the new building. The entire building is expected to be finished in 4½ years from now.

Eight floors of the new building will be rented out as offices. The hotel will occupy the rest. On the ground floor will be the main hotel lobby, shops, promenades and offices. The main ballroom, dining rooms and other public rooms will be located on the first floor. They will be spacious enough to cater for the most elaborate social functions, one room having an uninterrupted span of 100 x 100 feet. Plans include a first-class restaurant and night club on the top floor. Restaurant facilities will include both European and Chinese cuisine. The hotel will have 200 rooms, one-third of which will be two-roomed and three-roomed suites. All rooms will have baths and other modern conveniences. The land area which the new building covers is over 24,000 square feet. The present Butterfield and Swire building covers 16,000 square feet. The Oriental Building has already been demolished. It was sold by auction last year for $3.63 million to a Chinese investment firm.

THE NEW CHARTERED BANK BUILDING

The Chartered Bank of India, Australia and China is planning to build an air-conditioned, 16-storey building beside the Hongkong Bank on the present sites of their buildings. The new Chartered Bank Building will be one storey less than the Bank of China. Estimated to cost $17 million, the whole project is expected to be completed in three years. It will be constructed in two sections, the first of which involving the Des Voeux Road building, will be completed in about 21 months from the start of demolition. The present building on Queen's Road is over 60 years old and the Des Voeux Road building was erected in 1919 with the top (fifth) floor added in 1922. The total area of all floors in the two buildings is 53,744 square feet. The market value is from $400 to $500 per square foot tenanted and $500 to $600 with vacant possession.

The new building will be a steel construction of 16 storeys with a height of 244 feet. The lower ground floor will be the public entrances, tenants' entrances, bank vaults, tiffin rooms and lavatories. The ground and mezzanine floors will house the banking hall and bank offices while the first to 12th floors will accommodate rentable office space giving a total rentable office space of 89,070 square feet. The manager's suite will also be on the 12th floor, the Bank Mess on the 13th, Mess bedrooms and engineer's flat on the 14th floor and the 15th and 16th floors will house the Bank's storage space or godown space. There will be five passenger lifts, one service lift and one book lift. The entire building will be air-conditioned. The total office space in the new building, including the space to be occupied by the Bank, will be 117,270 square feet and the rentable office space will be 89,070 square feet, against the present total floor space of 53,744 square feet.

The gross monthly rental the Bank may expect to receive from tenants calculated at $1.30 per square foot is about $115,791; 10 times the present rental received. The new building will be constructed in two phases and the whole scheme will be finished early in 1959.

NEW LUXURIOUS APARTMENTS

The Race View Mansions at Happy Valley overlooking the racecourse are now under construction by Kwong Hing Investment Co. The building will have 8 storeys with parking areas on the ground floor. There will be a penthouse on the roof. Each of the seven floors will contain two apartments. Each bed-room will have an attached bath-room. Provision has been made for the installation of individual air conditioners in master bed-rooms. On the ground floor, space is provided for a central air-conditioning system and the necessary ducts installed so that the entire building may be air-conditioned in the future.

The New Estate Company is planning to build three blocks of flats at the corner of Bowen and Garden Roads. The first block with eleven storeys is under construction. The other two will be started after the completion of the first block. The site, consisting of a long narrow strip of land was purchased for about $1.5 million. The first block will contain two small apartments on the ground floor with four apartments on each of the upper floors making a total of 42. On upper floors, the two end apartments will contain three bed-rooms; the two central apartments will have two bed-rooms. In the two-bedroom flats, there will be only one bathroom. These apartments will have cool breezes during the hot summer and an attractive view of the Harbour.

A 9-storey building is under construction on Macdonnell Road by National Investment Co. The ground floor consists of garages. Owing to the topography of the site, the first floor contains two apartments while the upper floors, from 2nd to the 7th, contain four apartments each. The top floor is occupied by two apartments with larger rooms and terraces. There will be two self-operated lifts to serve the 28 flats. They will be sold for about $53,000 each. Payments can be made by instalments.

In Kowloon, the Hongkong Engineering & Construction Co. is erecting three luxurious apartment blocks on Kadoorie Avenue. The project is divided into two stages. In the first stage, these buildings will only have four storeys. The second stage, comprising three more storeys on top of the four, will be erected after the completion of the new Kai Tak Airport. The apartments with three bed-rooms will have a floor space of about 3,200 square feet each and every bed-room will have an attached bath-room. Each block will be served by a dual-control 8-passenger lift.

SOOKUNPOO STADIUM

The new football stadium at Sookunpoo was opened by the Governor of Hongkong early this month. The Hongkong Football Association has been granted a licence by Government to operate it for a period of one year. Under the terms of the agreement, Government will share with the Hongkong Football Club and the South China Athletic Association a proportion of the gate receipts from all football matches played under the jurisdiction of the Hongkong Football Association in all three stadia. The Governor in his opening speech described the stadium as magnificent.

The football field is of maximum size, 120 x 80 yards in accordance with International Standards. A cinder track 28 ft. in width has 7 lanes. The inner lane of the track has a length of 450 metres and a radius of 130 ft. at each semi-circular end. There is a stretch of 120 yards at each side of the field for sprint and hurdle events. The turfed area is 138,000 sq. ft., demarcated by a narrow concrete border and capable of accommodating all other athletic events. The first stage of the stadium now completed has been designed to seat 28,500 spectators, 5,500 of which in a covered enclosure. A feature of the press enclosure is that each correspondent has been provided with a writing table. To prevent overcrowding of the various sections of terraces the number of spectators entering the Stadium will be recorded both mechanically and electrically and each turnstile is fitted with a warning bell set to ring when the predetermined figure for a particular section has been reached.

The formation of the site involved the excavation of some 160,000 cu. yds. of earth and decomposed granite and 100,000 cu. yds. of rock. The rock excavation presented a difficult problem due to its extremely hard nature. The whole area of the field and running track is drained by a network of 6-inch and 4-inch agricultural tiles arranged in herringbone pattern, and overlaid by a specially designed filter media composed of graded granite aggregate. The specification for the cinder running track follows closely the one laid at the Stockholm Olympic Stadium. Built up in 3 separate layers, the overall consolidated depth of the track is 12 inches. The bottom layer, 6 inches in depth, is composed of 2½ inches granite aggregate and the middle and top layers of 4 inches and 2 inches depth respectively, composed of a mixture of screened cinder and loam in their respective percentages. The playing field has been top dressed with 8 inches of black soil obtained from the site, and the turfing carried out by the Gardens Dept. of the Government.

The whole scheme was designed with the object of utilising, as much as possible, the material found on the site. All construction work, such as walls, terracing, manholes, gutters and channels etc., were executed in cut granite stones set in cement mortar. All top and black soil used for the turfed area was supplied from the existing Government nursery gardens, the gardens being re-sited elsewhere. A portable stone crusher on the site gave more than the necessary aggregate and "fines" for the cement concrete to be used. It was thus possible to obtain a very low contract price for the construction of the stadium. The whole site, including parking facilities for some 400 cars, occupies an area of over 16 acres. The seating accommodation can be further expended by extending the terraces up the sides of the valley and continuing the seating round the northern end of the ground to hold 93,000 spectators.

Floodlighting will be carried out from four steel pylons, each carrying a battery of floodlights having an average height above the fooball pitch of 175 ft. Each battery of lights will consist of thirty-six 1,500-watt high brightness lighting fittings, calculated to give a minimum lighting value on the football pitch and athletic track of 80 lux. In addition, six low brightness 1,500-watt fittings will be arranged on the front edge of the covered stand roof to light up that portion of the athletic track directly in front of the stand. In addition to the floodlighting for the football field, extra lights will be mounted on the towers for illumination of the terraces, perimeter roads and car parks. In all, no less than 186 1,500-watt lighting fittings will be employed with a total maximum loading of 279 kilowatts.

RESETTLEMENT OF SQUATTERS

The Public Works Department reported that during the quarter ended September, 27,192 domestic and shop premises were occupied or ready for occupation by squatters. The population in Resettlement Areas increased by 3,993 during the three months against 143,643 at the end of June. At Li Cheng Uk Estate, 5 seven-storeyed resettlement blocks will be completed by February next year. Work on an additional 5 blocks in the same estate has already started. In order to preserve an ancient tomb at this site, the size of the Li Cheng Uk Resettlement Estate will be reduced from 13 to 11 blocks. Two blocks will be built elsewhere as soon as possible. The 3 blocks of seven-storeyed buildings at Shek Kip Mei Estate will be completed by April 1956. At Tai Hang Tung Estate, the 6 blocks of similar type of buildings will be ready for occupation at about the same time. In Hung Hom, 2 resettlement blocks will be completed by May next year.

During the period July-September, squatters at two low hills in the Kai Tak Airport area were cleared. 1,830 persons were cleared from an area to the north of the present Shek Kip Mei resettlement estate. 1,150 squatters were moved from the Wun Sha Street area of Causeway Bay to temporary sites on the lower slopes of Mount Butler. Government also considered to resettle about 7,000 street sleepers. Some of them had already moved into the Tai Hang Tung Estate. New temporary resettlement area was provided at Tai Wo Ping (north of Taipo Road) for about 4,000 fire victims. Government provided cut-granite blocks, cement and metal roof-sheeting. These fire victims built their own stone cottages.

Meanwhile, squatter area fires continued to increase the number of fire victims. At the end of last month, a fire in Li Cheng Uk Village rendered 700 persons homeless. Early this month, about 4,000 people lost their homes in 4 squatter fires in Hunghom, Causeway Bay and Shamshuipo districts.

HONGKONG REALTY & TRUST CO. LTD.

At the annual meeting held last month, the Chairman (Mr. G. E. Marden) announced a dividend of 15 cents per share on 4 million shares. Mr. Marden's statement is printed below:

The strength of the property market continued to be a feature of the Colony's trading activity and even the restriction on credit which affected the security market made little impression either upon demand or upon the tempo of building operations. New properties were let at somewhat reduced rentals and there was a welcome falling off in the exaction of key money under various guises. There were unconfirmed reports of a very important transaction in the central district which, if confirmed in all its aspects, will not only set new values but will be of considerable benefit to the Colony generally.

The company's subsidiaries enjoyed a successful year, their contribution to profit and loss account by way of dividends declared exactly doubled that of last year.

Harriman Realty Co. Ltd. further developed its architectural side and all its departments are fully and profitably occupied. Its own subsidiary in Singapore, however, in addition to suffering somewhat from the prevailing uncertainty in that Colony failed to make the expected progress. Oriental Mortgage & Finance Corp. Ltd. was able to put to satisfactory use all the funds we had provided for it. There were again no sales of properties during the year. The company leased the Thorpe Manor and Dodwell Mansions for ten years. The attractive return will be reflected during the current year. A flat in the Kellet Grove Estate was also leased for ten years. These purchases occurred immediately before the end of April this year.

The appropriation account includes a transfer of $250,000 to general reserve. The dividend at 15 cents will cost $200,000 more this year, being payable on the full issued capital. The fixed assets have been increased by the cost of the purchases and the amount in current assets due from subsidiary companies reflects the advances made to Oriental Mortgage. On the liabilities side there is a substantial increase in the figure of bank advances while the general and depreciation reserves are increased by the transfers from appropriation account.

INVESTMENT IN STOCK EXCHANGE

Mr. John Marden recently advised Hongkong Rotarians to invest their money in local shares without any outside interests if their future is with Hongkong. Shares recommended by Mr. Marden include Utilities, Lands, Banks and shipping shares if the freight market keeps up as at the moment. His advice includes following points: (1) Learn to read balance sheets and discover a company's average high and low water marks. (2) Keep the money in the bank and wait till the market falls again because what goes up must come down. (3) Buy whenever shares fall below the low level and sell as soon as they pass the high—never wait till a share reaches the top before selling. (4) Hunt for trends over a wide field; buy shares of companies lagging behind the trend and sell shares of those going ahead of it. Tracing the history of the stock market from the period of the South Sea Bubble in England, Mr. Marden said that there was a growing feeling that speculation on the stock market, which could not be divided by any firm line from pure gambling, was a semi-black market activity and that those who indulged in it were "spivs". However, he warned that the death of speculation on the market would also mean the end of an efficient market.

AGRICULTURAL SHOW

The 4th annual agricultural show will be held on January 21, 22 and 23, 1956 at the Un Long Public Middle School in the New Territories. Exhibits will include cattles and pigs of all breeds; chicken of all types such as Leghorns, Australorps, Buffs, Rhode Island Reds and New Hampshires; ducks, geese, turkeys, quails, pigeons and rabbits; vegetables of all kinds; and a variety of cut flowers and pot plants. The show, organized and fiananced by the Department of Agriculture, Fisheries and Forestry, is divided into different sections for livestock, poultry, eggs, rabbits, vegetables, fruits, field crops, handicrafts and farm implements, school exhibits, horticulture and forestry. Prizes will include $20,000 in cash and over 30 silver cups. Most of these cups were donated by leading local firms. The show gives farmers a chance to see what crops are grown by other farmers. The competitive basis on which they meet promotes the incentive to grow better crops and raise better stock. The Department of Agriculture, Fisheries and Forestry has four main divisions: agriculture, animal husbandry, fisheries and forestry. It maintains stations throughout the Colony to help farmers and fishermen to solve their problems. The Kadoorie Agricultural Aid Association donates cement for the construction of irrigation dams and other projects. Kadoorie Loans help farmers to buy seeds, fertilisers and insecticides.

SHIPPING

APL's 12,800-ton steamer President Jackson recently came here from US on her maiden voyage around the world. This is the first vessel in APL's $200 million fleet replacement programme which provides for 20 modern passenger and cargo liners. Three sister ships of the President Jackson—the President Hayes, President Adams and the President Coolidge—will all be in service by next June. The President Jackson has luxurious accommodation for 12 passengers. Every cabin has a radio set and a telephone. The vessel is equipped with quick-opening hatches and refrigerated cargo boxes. She has an overall length of 563 ft. 7 ins., a beam of 76 ft., a deadweight tonnage of 12,800, gross tonnage of 9,200 tons, and a speed in excess of 20 knots.

One of the latest additions to Maersk Line's fleet on the US-Far East run, the Danish 6,310-ton freighter Rita Maersk, reached here early this month from US via Keelung on her maiden voyage. Built only three months ago in Denmark, the new freighter has accommodation for six passengers. The vessel has a grain capacity of 686,680 cu. ft.; a bale capacity of 622,380 cu. ft. and a service speed of 18 knots. She has an over-all length of 498.6 ft., breadth 64 and depth 41.3 ft. The Effie Maersk, sister ship of the Rita Maersk, will arrive from the United States on January 2 next year on her maiden voyage. The local agents are Messrs. Jebsen and Company.

The Dutch 2,844-ton motorship Van Neck, one of the new freighters of the Royal Interocean Lines on the Far East—East Africa service, arrived here recently from Japan on her maiden voyage. Sister ship of the mv Van Cloon and Van Noort which arrived here last month, the Van Neck was completed five months ago in Holland. She has an over-all length of 318 ft., breadth 45.5 ft. and depth to the main deck 20 ft. With the bale capacity of 162,000 cu. ft. and the grain capacity of 167,000 cu. ft. the Van Neck has a deadweight of 3,700 long tons. Her 2,100 b.h.p. engine gives a speed of 13 knots. The new freighter has two derricks and two cranes at every hatch, a feature which other vessels calling here have seldom possessed. The Van Neck also has accommodation for two passengers.

The Norwegian motorship Fernmoor, of the Barber Line which arrived here recently on her maiden voyage from Europe via US, has a deadweight capacity of 10,350 tons; a length of 470 feet BP; breadth moulded of 64 feet; and a depth moulded of 42 feet 11 inches. The vessel has five holds with a total bale capacity of 620,901 cft., including refrigerated space of 25,000 cft. Her service speed is 17 knots. She has accommodation for 12 passengers in single and double cabins and with a spacious lounge and dining room.

AVIATION

BOAC is training 11 Chinese and 6 Japanese girls to fly as assistant stewardesses on the Eastern route. The Chinese girls will join BOAC's Constellations and Argonauts at Calcutta and fly from there to Hongkong or Singapore and will also serve on the HK-Singapore service. The Japanese girls will fly between here and Tokyo. Wearing kimonos or their national dress, the girls will work alongside the British stewardesses who fly on services from London. The candidates will be trained at the training centre at Heston, Middlesex.

During his recent visit to Hongkong, the President of Northwest Airlines (D. W. Nyrop) said that in order to improve their services in the Orient, they had placed an order of $45 million for 21 DC-6Bs and DC-7Cs. This new fleet will start operation in 1957. Air India International will increase their flights from here to Japan, India and Europe before the end of this year. Mr. B. R. Patel, general manager of A.I.I., stated during his recent visit here that Air India was planning to double their service in the Far East next year.

Beginning next April, Japan Air Lines will add a fourth flight between Tokyo and San Francisco and two weekly non-stop flights to Hongkong as well as two new flights weekly to Bangkok. PAA are now distributing a new information folder for Clipper passengers arriving in Hongkong. This folder provides passengers with interesting and up-to-date information on customs, currency, immigration, public health, sightseeing, ground transportation and hotels of HK.

Hongkong Industrial Developments

ELECTRIC CLOCKS

The Hongkong Chiap Hua Manufactory Company recently perfected a new type of electric clock which runs on a single torch-light battery. This is specially designed for areas where electricity is not available. One battery can keep the clock running for a whole year. Chiap Hua also manufactures electric clocks using ordinary household currents. The clock movements have been perfected after a great deal of research and many costly experiments over 2 years. The clock mechanism has been tested in UK and found comparable to that of the best produced there. High precision machine tools imported from Switzerland, US and UK are installed in the company's Hunghom factory. All electric clocks manufactured by Chiap Hua are marketed under the trade marks of "Lighthouse" and "Equity"

MACHINE BUILDING

Hongkong's machine building industry is now producing printing machines and equipment for plastic and glass factories. This machinery is enjoying keen local demand and attracting steady orders from Southeast Asia particularly from the Philippines. China Plastics Company recently designed their own machinery for the production of various plastic ware. The company is considering to start production of this machinery for overseas markets. The Foh Shing Engineering Factory is now producing machinery for the manufacture of glass bottles, jars, and other glass articles. These machines made in Hongkong are cheaper than those imported from US and other countries. For SE Asia, transportation cost is also lower.

POWER SUPPLY

The increased consumption of electricity in Hongkong reflects the steady advance in industrial development. During the first 10 months this year the average monthly consumption was 47,057,402.5 Kw as against the monthly average of 40,970,263 Kw for 1954. Bulk supply consumption (for industries) increased from last year's monthly average of 13,142,051 Kw to 17,803,269 Kw in October. Power consumption (including consumption of small factories) reached 19,209,590 Kw in October as compared with the monthly average of 15,623,275 Kw in 1954. The Hongkong Electric Company and the China Light & Power Company in Kowloon are extending their service and increasing their capacity to meet the growing demand. Charges for electricity, however, have not yet come down.

NEW FACTORIES AND PRODUCTS

Among recently established factories are 2 which produce artificial pearls, a small jewellery factory and a glove maker. A firm producing fishing nets, recently registered with Government for certificates of origin to cover their exports. A metal works is now making bicycle bells and an optical firm is producing a wide assortment of spectacle frames from imported cellulose materials. A paper bag manufacturer recently installed new machinery (imported from West Germany) which cuts, prints, pastes and folds the bags and then turns them out in bundles of fifty—all in a single operation from reeled paper. One factory is producing cushions and pillows of foam rubber as well as rubber gloves for surgical and industrial uses. The Freezinhot Bottle Company introduced many new items including a 1½-gallon wide mouth vacuum flask.

INDUSTRIAL SITES

The first stage of the reclamation of Kun Tong started last month. The pilot scheme for this project was completed in September. Building of the seawall will be completed by the end of the year. The filling, consisting of decomposed granite, is obtained from the adjacent hills. The first 17½ acres of reclaimed land will be available for building early next year. An additional 26 acres will be ready later and a further 15½ acres by July, 1957. Government announced that land would be auctioned at an upset price of $5 per square foot. The whole area will be divided into zones for different groups of industries. Smaller factories will be accommodated in multi-storeyed buildings each occupying one or more flats. This arrangement will be particularly beneficial to small factories now operating in unsuitable premises in urban areas. Factories employing more than a certain minimum number of workers will be required to provide accommodation for these workers. According to the Chairman of the Chinese Manufacturers' Union, there are already 454 applications for over 9 million square feet of land at the Kun Tong industrial area. The Kun Tong Scheme provides for the reclamation of some 78 acres. After the completion, this project will be extended to reclaim another 60 acres of the sea-bed in the same area. The total area will be 138 acres or about 6 million square feet which is far below the 9 million square feet applied for by local factories. The Governor of Hongkong in his speech at the opening ceremony of this year's Hongkong Products Exhibition said that Government would examine the possibility of providing further sites for industrial development.

EMPLOYMENT

The general level of employment in local industries remained steady throughout the quarter ended September 30. There was a record number of closures, including 63 voluntary surrenders of registration certificates. This was however more than offset by 164 applications for registration of new factories at the end of June there were 122,395 workers in 2,631 registered and recorded factories and workshops. Increased employment was noted in the soft drinks, cotton spinning and weaving, wool spinning, garment-making and glass-making, metal wares, hand-torches, and shipbuilding and repairing industries. Reductions were recorded in the knitting, matches, torch batteries and footwear (excluding rubber) industries.

HONGKONG PRODUCTS EXHIBITION

The 13th Exhibition of Hongkong Products opened at the beginning of this month and is attracting an average of 40,000 visitors every day. Meanwhile another floating exhibition of HK products is on its way to South America aboard Royal Interocean Lines' luxury liner Ruys. The exhibition comprising about 50 well-chosen locally manufactured products included ginger, Chinese dolls, torches, fans, tea sets, needles, umbrellas, lamps, artificial pearls, jewel boxes, tooth brushes, shirts, watch bands, watch cases, rubber shoes, rubber web-feet etc. With these exhibits were hundreds of explanatory booklets for distribution to visitors and prospective importers along the ship's route. Exhibits will be changed on the ship's return from South America and Japan.